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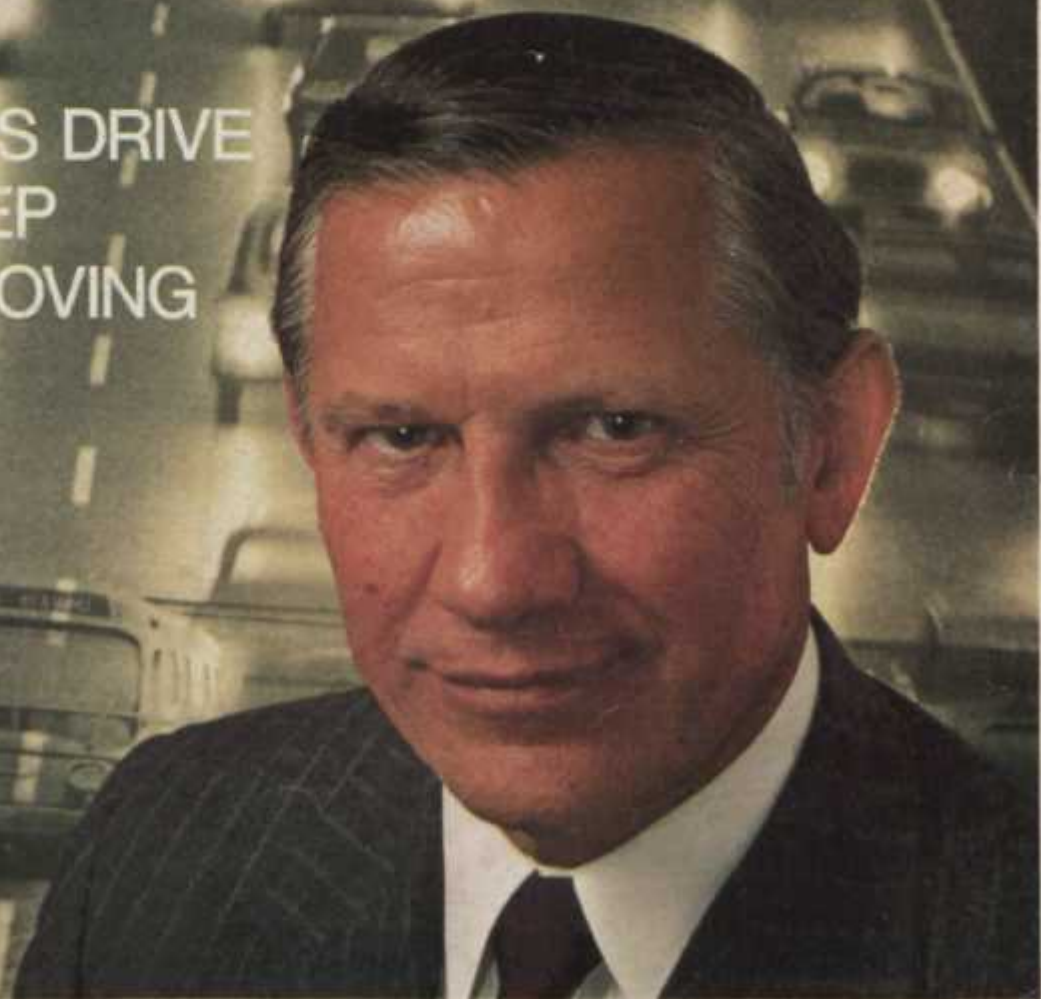
APRIL 1970

Nation's Business

THE GREAT WELFARE DEBATE

PAGE 56

JOHN VOLPE'S DRIVE
TO KEEP
AMERICA MOVING





Marlite Paneling looks great in a bathroom.

**Want to use it in a store?
That's your business.**



If your business is retailing, you want interiors that stay clean and inviting—in spite of heavy traffic.

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ture. And comes clean with just a damp cloth once-over.

So don't be surprised to see Marlite in more and more stores. Not to mention restaurants, offices, schools and motels. And no matter what business you're in, you'll find the right idea in Marlite's complete line: more than 70 different textures, colors and patterns. See Marlite plastic-finished paneling at your building materials dealer soon.



THE MARLITE WALL BOOK: 24 pages of decorating ideas in full color. Send 50¢ and name and address to Marlite Division of Masonite Corporation, Dept. 470, Dover, Ohio 44622.



Marlite
plastic-finished paneling

**Nobody makes a nickel until your man makes the sale.
That's why it pays to give him every advantage you can.**



An Olds Cutlass, for example.

Suddenly customers see your salesman in a new light. Olds prestige is working for him.

And your man will be happier in an Oldsmobile — which will show up in his work.

Then add these other advantages:

1. Only Olds has Positive Valve Rotators in its V-8s, to deliver peak performance thousands of miles longer, and worries about valve burnout and reduce downtime.

2. Olds traditionally brings home a bonus at resale time. And with prices that start below many ordinary cars, the net result is an upgraded company image without raising fleet costs.

3. Olds has something for everybody. Economical Cutlass models. An exclusive new notchback Cutlass Supreme stylesetter. Delta 88s in the big-car league. Ninety-Eights and the front drive Toro-

nado for executive row.

Is it any wonder Oldsmobile's fleet business is growing twice as fast as the industry average?

So, whether you buy or lease, take a closer look at Olds in your dealer's showroom. Or write for our Fleet Book: National Fleet Sales Manager, Olds Division, Lansing, Michigan 48921.

A 6¢ stamp could lead to a lot of extra nickels.

Oldsmobile: The great escape from ordinary fleet cars.



Nation's Business

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Cover photo: Yoichi Okamoto

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DECEMBER 31, 1969

Prepared from the Annual Statement filed with the New York State Insurance Department

ASSETS

BONDS:

United States Government	\$ 126,018,375
State, Municipal, Authority and other government	202,615,166
Railroad	243,843,643
Public utility	1,184,390,536
Industrial and other	3,184,041,247
	<u>4,940,908,967</u>

STOCKS:

Preferred and guaranteed	322,650,115
Common	343,874,112
	<u>666,524,227</u>

FIRST MORTGAGES ON

REAL ESTATE:

Insured and guaranteed	785,992,492
Conventional loans	1,991,019,787
	<u>2,777,012,279</u>

REAL ESTATE:

Properties for Company use	44,872,369
Rental housing and business properties	281,670,191
	<u>326,542,560</u>

MINERAL INTERESTS

20,913,848

LOANS ON POLICIES

1,231,368,024

CASH

35,556,621

DEFERRED AND UNCOLLECTED

PREMIUMS 218,205,201

INVESTMENT INCOME DUE AND

ACCRUED AND OTHER ASSETS 121,540,106

TOTAL ASSETS \$10,338,571,833

LIABILITIES

POLICY RESERVES \$ 7,674,258,155

These reserves are required, together with future premiums and interest, to assure payment of future benefits to policyowners and beneficiaries.

POLICY PROCEEDS LEFT WITH

COMPANY AT INTEREST 328,859,319

DIVIDENDS LEFT WITH COMPANY

AT INTEREST 986,935,031

DIVIDENDS AUTHORIZED FOR

PAYMENT TO POLICYOWNERS

IN FOLLOWING YEAR 270,107,655

PREMIUMS RECEIVED

IN ADVANCE 50,625,445

POLICY CLAIMS

71,080,653

Benefits in course of settlement and provision for claims not reported.

MANDATORY SECURITIES

VALUATION RESERVE 188,187,893

TAXES—FEDERAL, STATE

AND OTHER (NOTE 2) 32,105,487

OTHER LIABILITIES

112,586,970

9,714,746,608

SURPLUS:

SPECIAL SURPLUS FUNDS—

CONTINGENCY RESERVES:

Group life 9,600,000

Separate accounts 750,000

613,475,225

UNASSIGNED SURPLUS:

623,825,225

623,825,225

TOTAL LIABILITIES

AND SURPLUS \$10,338,571,833

Note 1: Bonds subject to amortization under the provisions of New York State Insurance Law are stated at their amortized values. Income bonds and preferred stocks in "Good Standing" are valued at cost in accordance with the National Association of Insurance Commissioners Valuation Procedures, and all other bonds and stocks are at market values. Real Estate is stated at cost less accumulated depreciation. Securities valued at \$113,534,246 are deposited with Governments and States as required by law.

Note 2: Includes \$6,700,000 for anticipated assessments of federal income taxes for prior years. The Company will take appropriate legal action to contest amounts considered to be improperly assessed.



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Face it—your offices can be anyplace you can function happily and efficiently. What are you waiting for?

Are you freer than you think? If your business would operate efficiently and economically wherever you go—why not follow the trend to Florida.

The advantages of operating your "home office" in Florida are manifold. You and your whole staff will feel better, work harder, do more, play more, in more attractive surroundings. Customers will insist on visiting you.

We'd like you to see some of our office buildings and landscaped complexes. We have a great deal of sunshine, fresh air, and space in Florida—and we use all of it.

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Florida

DEPARTMENT OF COMMERCE
107 WEST GAINES STREET
TALLAHASSEE, FLORIDA 32304

MEMO FROM THE EDITOR

Nation's Business
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Chamber of Commerce
of the United States
1615 H Street, N.W.
Washington, D.C. 20006

The new chairman of the Federal Trade Commission, Caspar W. Weinberger, is an articulate Californian with definite ideas. Many of them concern the consumer. In an interview with Associate Editor Henry Altman (page 28) about what's ahead for the FTC, he says:

"We will make strong requests and suggestions to business that [self-regulation] is the best way to operate a consumer protection program. . . . I would very much hope that business would recognize the requests and needs of consumers so as to minimize the need for governmental action."

Business, of course, *does* recognize the needs of the consumers and we think Chairman Weinberger will find it highly responsive.

The Chamber of Commerce of the United States already has taken a new initiative in behalf of consumers. It supports not only the four basic consumer rights enunciated in President Nixon's consumer message—the right to safety, to be heard, to choose, to be informed—but goes beyond this and argues there

must be a fifth right: the right to quality and integrity in the marketplace.

In furtherance of these five rights, the Chamber's Board of Directors has pledged the resources of its nationwide federation toward the widest recognition of a business-consumer relations code and its voluntary implementation.

This program can thrust the vast energies of the millions of businessmen, businesswomen, professional people and businesses whom the Chamber represents into a comprehensive campaign to protect the right of the consumer and to achieve customer satisfaction in the fullest sense.

We fully agree with President Nixon's comment that the Chamber program demonstrates that businessmen realize the "strength of our society must be measured not only by how many goods and services they provide, but also by how good those goods and services are."

The need to preserve that strength is an important reason why recognition of the fifth right for the consumer advocated by the Chamber makes such good sense.

• • •

Everyone has been caught in a traffic jam—on the highway, at an airport. At times it seems the American is losing his happy prerogative of going where he wants to, when he wants to.

Keeping America moving is a task of the Secretary of Transportation, and the current Secretary, John Volpe, crisscrosses the country constantly, selling the concept he thinks will be needed to do just that: a balanced transportation program.

Nation's Business Managing Editor Wilbur Martin accompanied the Secretary on one of his trips (that's Mr. Martin at left, with Mr. Volpe on a Coast Guard plane, in the picture). The story, in words and photographs, of "John Volpe's Drive to Keep America Moving" starts on page 40.



Jack Woodbridge

LETTERS

FREE-LANCE INVENTION FLOURISHES

• I have read with considerable interest articles you have printed dealing with the free-lance inventor.

The articles were informative, well written, and certainly in line with the fine reputation held by NATION'S BUSINESS. However, you have referred to the independent inventor as a "vanishing breed" and left an impression that would depict us in general as middle-aged to elderly men who spend a lifetime of basement tinkering, sometimes making it big, but generally meeting only one pitfall after another.

I believe this picture is now in the process of a tremendous change and as reference I will cite:

- A government survey (based on past accomplishments) which discovered that the independent inventor is more likely to make a major breakthrough in technology than the professional laboratory.
- A recent Stanford Research Institute study which revealed that 60 per cent of the products of the decade of the 1970's have not yet been invented.
- My own personal experience.

I am under 30, without formal training, and for the past four years have been a full-time free-lance inventor.

During that time I have built a company which supports four employees and has successfully handled chemical, electrical and mechanical assignments, and resulted in savings and/or earnings of from \$1,000 to \$200,000 annually for requesting manufacturers from coast to coast. Inventions have ranged from average to noteworthy.

From this and my acquaintance with other young inventors I believe the realm of the free-lance inventor is growing. A more informed group of people will understand and use modern business and sales methods to push it to a level of accomplishment never before seen.

JAMES R. GRAY
Pine Bluff, Ark.

No holes barred

• How surprised we were to discover in your February issue [in an advertisement by the Iowa Development Commission] that our new office building is being built in Iowa. If we're not going to put it in that hole across the street here in San Francisco, we'd better find it out fast.

We're aware that some of our companies are quite active in Iowa—Occidental Life Insurance Co. of

California, and Budget Rent-A-Car Corp., for example, and of course a lot of Iowans see United Artists movies—but we didn't think our companies were big enough back there to have their own building.

Surely there must be someone else, with a name similar to ours, who is the real builder of Iowa's tallest building. If you please, who?

JOHN L. KRIZEK
Public Relations Manager
Transamerica Corp.
San Francisco, Calif.

[EDITOR'S NOTE: Transamerica Investment Group of Tulsa, Okla., is putting up the Iowa skyscraper.]

Reagan and redwoods

• What a shocker Gov. Ronald Reagan's article ["Our Environment Crisis," February] is. This from a man who several years ago wasn't interested in seeing a tree more than once (or in protecting the right of anyone else to).

How many of your readers have any awareness of the uncounted hours of anguish and struggle over many years by the Sierra Club, the Save-the-Redwoods League, the Izaak Walton League, and other conservation organizations and individuals, and the many millions of dollars of contributions by individuals, which were involved in acquiring the redwoods and trying to prevent the State of California from ramming highways through these irreplaceable forests? All of this is concealed by his easy remark about rerouting a highway around a grove of beautiful trees.

Yet his article is additional evidence that our political system is still responsive, however difficult and delayed that response may seem to be.

JAMES M. BARRETT III
Pt. Wayne, Ind.

• We greatly enjoyed the fine article regarding the environmental crisis we are now facing. As architects, urban designers and systems planners, the rape of the environment concerns us first.

LAURENCE S. CUTLER
Vice President
Ecode sign
Cambridge, Mass.

Pollution fighters

• I was impressed by the scope and approach of the article, "Business

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a good electric typewriter.**



Most good electric typewriters cost from \$400 to \$600.
There's even one high-flyer that comes in at almost \$800.

Our Hermes 10 costs \$295!

But don't get thinking it must be a cut-down, economized version of the expensive machines. Not at all. It was designed from scratch by our Swiss engineers for the person who wants the electric functions—but not the frills. One who, for example, doesn't have much use for a removable platen. And doesn't want to pay for what he won't use.

Here's what our 10 does have:

All the basic keys. (The 4 most useful keys repeat automatically and so does the space-bar.) An unusually smooth touch: as one girl said "it doesn't bite." The ability to make 10 readable carbons and all the stenciling and tabulating gismos, just like the expensive machines. It even has the Hermes Flying Red Margins, that show you where your margins are at all times. And, like all things engineered in Switzerland, it's built to last.

Here's what our 10 doesn't have

It doesn't have spare keys for specialized symbols. It doesn't have optional carriage lengths: just the basic 13", which is wide enough to take legal sideways, but not more. It doesn't have a removable platen. (That's the roller the paper goes round.) Also, it's not so big and heavy—only 25 lbs. compared to the usual 50 lbs. (Although many people consider that a neat advantage!)

So it just depends on what you need. If that's a sturdy, reliable machine, handsome, able to do the basic things well... then \$295 is all you have to pay.

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If you're ready to add a second billing clerk, you're ready to automate your billing.

Add a second girl, plus conventional equipment, and you'll probably catch up. But it's expensive.



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Our smallest Friden* system, the 5005, lets one girl do the work of four girls using regular equipment. It calculates at electronic speeds and types automatically.

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If you want to automate further, we can give you a by-product tape that prepares your accounting data for a computer service bureau.

And if your business is really taking off, there are three larger COMPUTYPER billing/accounting systems and a wide range of auxiliary equipment that can be tailored to meet your exact requirements.

Whether you're ready for a little or a lot of automation, you'll be surprised at how little Friden billing/accounting systems cost to lease or buy. To get all the facts, call your nearest Friden office. Or write: Friden Division, The Singer Company, San Leandro, California 94577.

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LETTERS

continued

Fights Pollution—and the Nation Profits" [February].

Armco fully supports the effort to clean up our environment, and we believe the record will show that the steel industry is among the leaders in air and water quality.

C. WILLIAM VERITY JR.
President
Armco Steel Corp.
Middletown, Ohio

Producers and nonproducers

• Re "Runaway Expansion of Social Security?" [March]. It is interesting that a really small bite of my tax dollar goes toward the futures of the real productive element—the worker and his family—at retirement. At least there is a hope we may one day see some return on this important investment.

What of the nonproductive? I see no article in your informative magazine requesting the restriction of sums to be applied from the productive workers' taxes through the many agencies of welfare, etc. How much will it save? It is, in my mind, another example of the silent majority losing more ground in its return on investments while contributing nearly all.

JIM WRATH
Resident Manager
U. S. Corrugated-Fibre Box Co.
Brookville, Ohio

"Bitter Fruit" pleases

• "Bitter Fruit in the Vineyards" by Douglas L. Hallett [February] has more than a passing interest for us.

It is an excellent rebuttal of the many wild claims that have been made in the past.

May we have your permission to reproduce the story as an item in the "boycott packet" we use to help inform people of the facts in the matter?

LESLIE V. HUBBARD
Executive Assistant
Council of California Growers
San Mateo, Calif.

[EDITOR'S NOTE. Yes.]

Lessons of leadership

• I am particularly fond of reading the success stories of great businessmen which appear each month. I find these stories very inspiring.

ROBERT J. GEHRKE
Idaho Falls, Idaho

PROFITMAKER



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"Concentrates on the most important aspect—winning!"

The Book Exchange, London

"Shows how to psycho-poker-analyze opponents, how to read them, and how to milk them to their last dollar."

American Bridge Teachers Association Quarterly

"Designed for players who want to make poker a means of livelihood."

Rouge et Noir News

HERE ARE A FEW OF THE

120 ADVANCED CONCEPTS REVEALED:

- How to be an honest player who cannot lose at poker.
- How to increase your advantage so greatly that you can break most games at will.
- How to avoid winning too fast.
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- How to keep big losers in the game.
- How to drive winning players from the game.
- How to lie and practice deceit. (Only in poker can you do this and remain a heroic gentleman.)
- How to see unexposed cards without cheating.
- How to remember all exposed cards and ghost hands.
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- How to beat dishonest players.
- How to control the rules.
- How to stimulate poor attitudes in opponents.
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Any or all of the 120 "Advanced Concepts of Poker" can be mastered by using the unique GTC technique, which will allow you to control poker games and their players.

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EXECUTIVE TRENDS

BY JOHN COSTELLO
Associate Editor

How to pick a PR firm

What kind of accounts does it handle?

How long has it had them?

Ask those questions before you choose a public relations firm, one expert advises.

"It's helpful if the firm has experience with your kind of company," says Lee Schooler, chairman, The Public Relations Board, Inc., a Chicago PR firm. "But it's just as important that it's expert in many PR fields—house organs, community relations, and financial and marketing PR."

"That's some evidence of versatility and creativity."

"Most of its accounts should be more than a year old—unless it specializes in short-term projects, like store openings, competitions or trade shows."

"And a good number of its clients should be with it three to five years. Keeping an account beyond the first hard year is one measure of a PR firm's ability."

"A good salesman can bring clients in. But only a good firm can keep them."

The trend is toward a small corporate PR staff, Mr. Schooler says, with outside firms retained for cross-country manpower and specialized know-how.

"Don't downgrade an agency for lack of experience in your own industry," says Walter V. Carty, president of John Moynahan & Co., Inc., a New York PR firm.

"The big question is—does it know PR?"

"If its staff is bright, they'll learn your business. And they may have a fresh point of view another firm lacks."

You might try a trial marriage, Mr. Carty adds. "Both client and agency may need time to get to know each

- PR trial marriage?
- Selling to youth
- How to follow your leader
- The M.B.A. five years later

other—and find out what fee's fair."

Three to six months should do it, he says.

What they buy—and why

Like to know more about the status symbols of youth—or the teen-ager's impact on family shopping?

Or how about the influence of siblings on student smoking patterns?

Many marketers find seemingly esoteric subjects like these make fascinating reading.

In fact, some complain, there's not enough information like that.

It's hard to find good basic research that may help them in the marketplace.

The American Marketing Association offers some help with a new book, "The Consumer Behavior of Children and Teen-Agers" (\$5, American Marketing Association, Chicago, Ill. 60601). It's a bibliography that contains 480 abstracts of research-based studies published on that topic since 1955.

"It's the first in-depth source of information," AMA says, "on consumer behavior of youth—what they buy, or parents buy for them, and why."

The abstracts cover the subject from cradle through college.

How to get along with the boss

It's not impossible, one expert says.

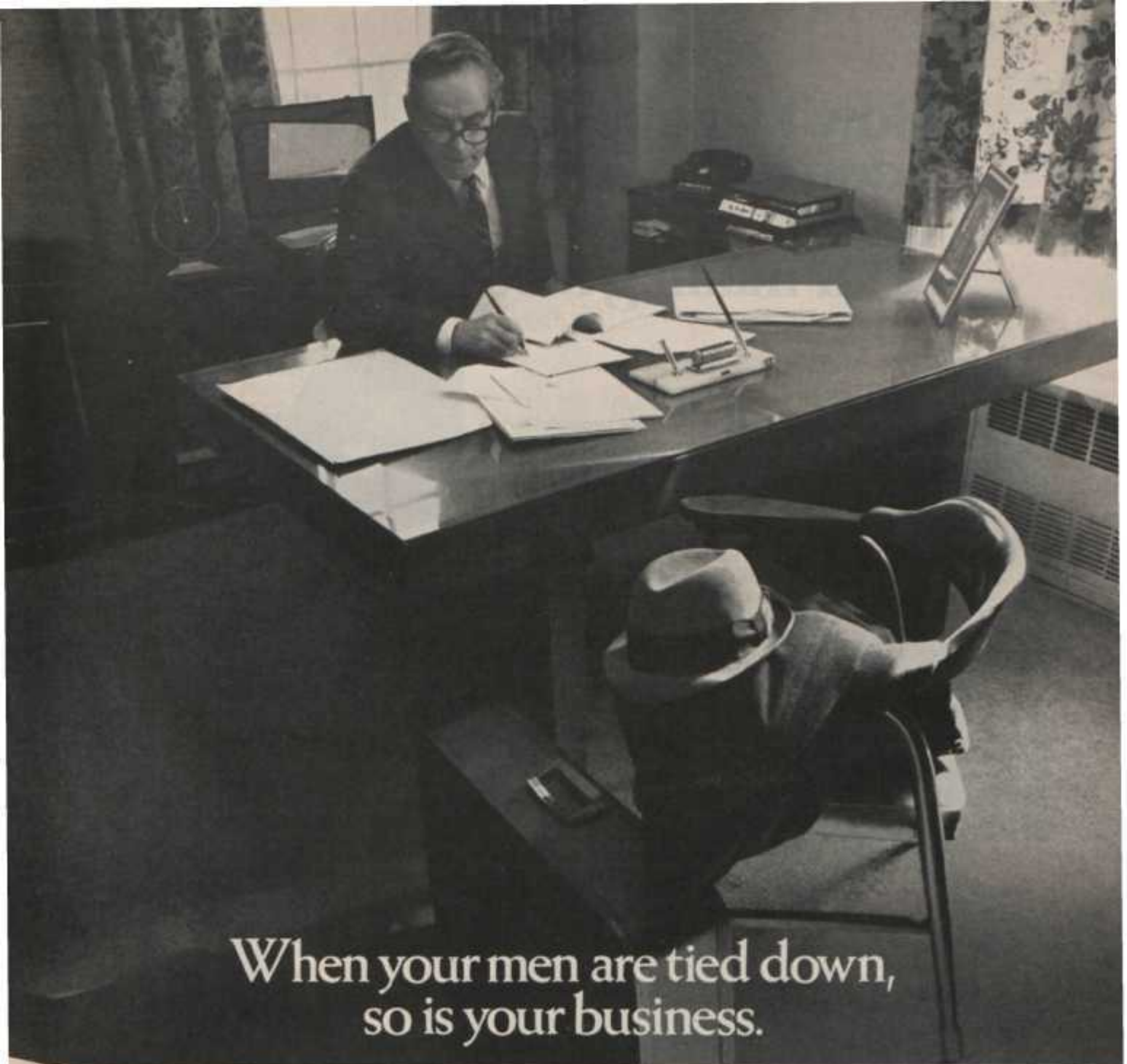
"When you and your leader clash," advises Dr. Harry Levinson, industrial psychologist, "don't berate him."

"Take a look at yourself, first."

"Try to discover what you've done that makes him hostile. If it's something you can change, change it."

"Chances are, he can't or won't change."

Here are some do-it-yourself rules



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There's nothing worse than to have your key men tied down with excessive paperwork.

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Name _____		Title _____	
Company _____			
Address _____			
City _____		State _____ Zip _____	

EXECUTIVE TRENDS

continued

Dr. Levinson recommends for getting along with your boss.

- Try to build him up in his own eyes.

"Not by flattery or deceit. He can see through that. Be open and honest, but diplomatic."

- Don't provoke his anger unnecessarily.

"Some adults are like teen-agers. They're still trying to prove how smart they are—and how dumb the other guy is. Today, lots of young executives have more technical education than the man they work for.

"But don't play one-upmanship with him. Maybe you can prove you're smarter—but it will probably cost you your job."

- Support him whenever you can.

"Did he turn down one of your 24-carat ideas? Maybe it's because he doesn't understand it as well as you. Instead of suggesting something for him to do, ask if you can't help him do it."

What if none of this works?

Remember, Dr. Levinson says in his new book, "Executive Stress," all life is a risk.

"Some men can't take straightforwardness. Some must be in absolute control. Some are afraid of their shadows. Some are intensely rivalrous with their subordinates.

"No matter what you do, it won't make any difference with them.

"Then it's time to think of alternatives—elsewhere."

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Got a friend in the Gilbert Islands? If you'd like to say "Hello," you're in luck.

The Gilbert Islands are one of the 12 new places that joined the international telephone network last year. Now, 209 countries and areas are members of the club. You can reach all of them from your Bell System phone. American Telephone & Telegraph Co. reports.

Americans have more phones (109.3 million or 54 per capita) and use them more often (701 calls per person per year) than anyone else. Canadians

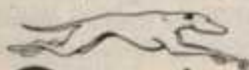


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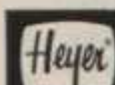
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EXECUTIVE TRENDS

continued

are No. 2. Americans generate most overseas calls.

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New York is one of a small group of cities that account for 70 per cent of our phone calls overseas. AT&T intends, eventually, to give all of them direct dialing service to Britain.

Washington is probably next.

Other cities include Boston, Chicago, Detroit, Miami, Newark, Philadelphia, Pittsburgh, Los Angeles and San Francisco.

Franchising—it's not all roses

A New York executive we'll call Bill Smith said goodbye to the rat race.

He sank \$50,000 into a restaurant franchise in sunny Florida, and moved there.

Business wasn't bad—but his problems were.

Fry cooks were hard to find and hard to keep. Some teen-age help stole from the cash register. Others handed out free samples to friends.

Bill found himself spending more time in the scullery than he used to spend in the executive suite. In six months, the rat race up North looked like Eden.

He sold out and moved back to Gotham.

Some franchisees do much better. And others lose their shirts. Last year, 12 franchise firms were convicted of mail fraud. The Post Office Department has 211 other cases under investigation.

On the other hand, a good franchise is a fairly safe venture for the new entrepreneur. More than 30 per cent of all new businesses fail in their first year. The International Franchise Association says the chances for success are greatly enhanced through franchising.

How can you tell a phony offer from a gold-plated chance to be your own boss—and make some dough?

"First investigate," all authorities agree. Here are some good sources: "Franchise Company Data," Department of Commerce, Washington,

D. C.; "Advice for Persons Who Are Considering an Investment in a Franchise Business," Federal Trade Commission, Washington, D. C.; "Partners for Profits: A Study of Franchising," \$6.75, American Management Association, New York, N. Y.; "Profits from Franchising," \$7.95, McGraw Hill Book Co., New York, N. Y.

"We must be doing something right," franchisors say.

In the last 10 years, franchising has mushroomed. Today some 500,000 franchise holders do some \$90 billion worth of business a year, IFA estimates.

Track record for M.B.A.'s

"Sure they show lots of early speed. But how well do they finish?"

That's the skeptical question one executive poses about M.B.A.'s.

Stanford's Graduate School of Business thinks it may have the answer. It polled alumni from the classes of 1961, 1962, 1963 and 1964.

"What was your starting salary—and how much are you making now?" they were asked.

Here are median monthly earnings of those at larger firms:

Class	Five years after graduation	At the start
1961	\$1,162	\$648
1962	\$1,160	\$643
1963	\$1,300	\$700
1964	\$1,500	\$750

Here are median monthly earnings of those at smaller firms:

Class	Five years after graduation	At the start
1961	\$1,100	\$525
1962	\$1,250	\$650
1963	\$1,600	\$675
1964	\$1,750	\$750

Note that earnings went up faster at small firms. The figures include deferred pay, like stock options or profit-sharing, but not pension benefits.

Five years after graduation, Stanford points out, earnings of M.B.A.'s about doubled. That's good news for last year's crop. Their median monthly starting salary, at firms large and small, was \$1,125.



Tax shelters are pointless. If they don't make money too.

Some tax shelters are more trouble than they're worth. If there's nothing to back up the big deductions facade. Underlying the investment of potential tax dollars must be the opportunity for real capital appreciation. In long-term equity growth, or regular income, or both. If your deductible dollars can't make money, you might as well give them away.

But a dollar's still a dollar, taxable or not. Wouldn't you usually demand more from it, than just a crisp deduction schedule?

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PANORAMA

of the nation's business

BY VERNON LOUVIERE
Associate Editor

Crime Fight Progress: a Police-GE Product

Can a successful business with modern, effective personnel and management policies help police in their fight against crime?

An experiment in Syracuse, N. Y., indicates the answer is affirmative.

General Electric Co. loaned one of its employees, Dr. J. F. Elliott, to the Syracuse Police Department for more than a year to test a theory that even with traditional manpower shortage and financial limitations, a police department can be operated more effectively.

Dr. Elliott felt that a crime control team (CCT) approach should be tried. A police district—Beat 50—was selected and a police captain and eight men were chosen to take part in the experiment.

The officers were given a free hand, Dr. Elliott relates. "All we assured them of was that they would not be bothered with giving out park-



Dr. Elliott goes over GE's crime prevention plan with officer.

ing tickets, taking reports of dog bites, handling drunks, or other non-criminal problems.

"If a CCT officer felt he could accomplish something by sitting on a

front porch talking with the people in the neighborhood, then that is what he should do. If he felt he could do some good by spending an afternoon with hippies, then he should."

In June, 1968, just before the experiment was started, Beat 50 had one robbery, four aggravated assaults, 18 burglaries, 28 larcenies and three auto thefts. In July, 1969, the final month of the experiment, there were no robberies or assaults, and only three burglaries, two larcenies and six auto thefts (all the cars were recovered.)

"After three years of studying this field I am at somewhat of a loss as to why crime is not completely out of control, considering the antiquated and inefficient managerial techniques used throughout the entire criminal justice system," says Dr. Elliott.

He adds:

"I think we've shown that a local government agency and the business community can work together to develop new methods of attacking critical community problems."

Clergymen Are Given Down-to-Earth Insight

More and more American clergymen are learning about such things as fiscal policy and labor-management relations to help them in their everyday conduct of church affairs.

Under a unique program run by the Clergy Economic Education Foundation, more than 7,000 ministers from 30 states have gained new knowledge of money matters over the past few years.

The idea was conceived by Dr. Olin W. Davis, director of economic education at Purdue University, who felt a better understanding of the American economic system would be useful to clergymen.

It has been strongly endorsed by

business corporations, labor unions and agricultural organizations. Over 600 of them now participate.

"Unless the citizens of a democracy have an understanding of how economics affects the society in which they live, they cannot act rationally in finding the sociopolitical solutions to these problems," Dr. Davis says.

The American Iron and Steel Institute was one of the early supporters of the concept and many executives of major steel companies take an active part in the Foundation's program. For a number of years clergymen have been invited to talk with steelmen at annual Foundation seminars, and to visit steel mills.

A typical seminar sponsored by the Foundation runs several days and is held on a college campus. Educators

usually lead off by discussing a particular economic subject and are followed by businessmen, labor leaders and agricultural specialists. Then, industrial tours are conducted.

Many men of the cloth who attend agree with Rev. James F. Thomas of Youngstown, Ohio, who took a steel plant tour and decided that "if a clergyman in this day and age does nothing more than preach, marry, bury and baptize, he's ministering to a diminishing congregation."

From a practical standpoint, he says, "I must constantly talk with businessmen and bankers concerning building and labor problems, financing and programing. If I'm unable to converse easily, and on their terms, then I'm not fulfilling my responsibilities as a clergyman."

continued on next page

A Parking Lot Can Mean a Lot to Kids

Here's an easy, inexpensive way to cut down on costly vandalism, and help youngsters stay out of trouble: Turn over your parking lot to them after working hours. One firm has done this in Jacksonville, Fla., and the experience has been so gratifying that a number of other businesses are planning to follow suit.

O. H. "Sam" Hill, district sales manager for National Airlines, got the idea for the parking lot playground when he was named chairman of the Jacksonville Chamber of Commerce sports and recreation committee. The committee was urged to focus attention on getting more public recreation facilities for Jacksonville youngsters, particularly those in black ghetto neighborhoods.

A short time later Mr. Hill broached the proposition to the Genuine Parts Co., a Southern chain of auto parts stores with a number of retail outlets in Jacksonville. One of them was in the ghetto, and Mr. Hill felt this was the place to give the idea a tryout. Genuine Parts was willing to go along.

The company asphalted the em-



Auto parts company turns over its parking lot to young Jacksonville residents during the evenings.

ployees' parking lot, put up two basketball goals, installed some outside lights and bought a couple of basketballs. Total investment: about \$800.

"The youngsters in the neighborhood found out quickly enough what was going on, so we had no trouble getting enough of them interested," Mr. Hill remembers. "We turned over the balls to them and, in effect, the playground. We made it clear there would be no supervision. Nobody would tell them what to do or what not to do."

Somewhat similar playground arrangements have been set up in other cities but the Jacksonville approach is different in that the youngsters supervise their own play.

Lester Jaillet, local division manager for Genuine Parts, says he has

noticed a marked change in the attitude of neighborhood youths since the play area opened several months ago.

"The only complaint we have had in all this time is from a man who parks his pickup truck behind our lot," he explains. "The kids drape their shirts over his truck while they're playing ball."

For companies situated in a ghetto section, there can be other benefits beside reducing vandalism and the like. Mr. Hill points out:

"These businesses frequently look for future employees right in the neighborhood. Here's a chance to catch them when they're growing up. They get to know you better on the playground and they develop a sense of respect for your property."

Company Officers in Striped Pants?

American companies doing business overseas are finding out how important it is to hire a new breed of international executive—the corporate goodwill ambassador.

In most parts of the world it's not enough for a U. S. businessman to know how to sell cars or run a factory; he must know the intricacies of foreign diplomacy as well.

Handy Associates, a New York firm specializing in executive search and management planning, is one of a growing number of organizations on the lookout for the talented executive capable of performing both as a businessman and as a diplomat.

"The role of this executive is to negotiate and cooperate with the government of the country in which his firm operates," says George B. Baan, managing director of Handy's

international division. "He also must move easily in political circles and develop appropriate corporate policy and empathy with the local population."

The importance of having a man of this caliber on the scene was again brought to the fore last year when properties of U. S. companies were expropriated in Chile and Peru. It is not coincidental that Handy Associates currently receives most of its requests for diplomatic talent from companies operating in Latin America.

As would be expected, an executive with these qualifications doesn't come cheap. Salaries generally range from \$30,000 to \$70,000 a year.

Requests don't only come from large corporations, says Mr. Baan. "Even medium-sized and small companies often insist on having an international specialist on their staff before embarking on an overseas venture for the first time."

Because of the frequently delicate

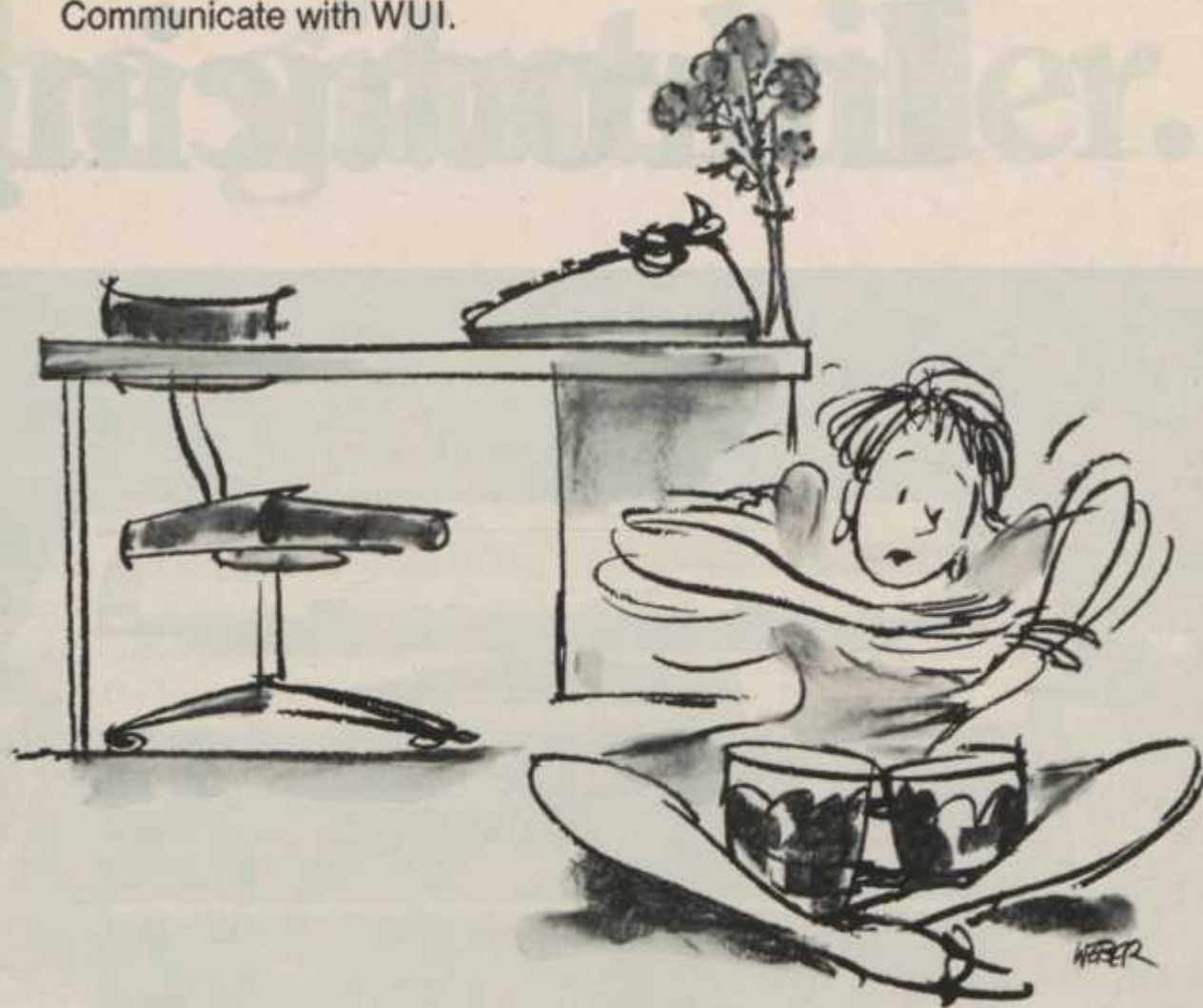
nature of an American's business dealings abroad it is important that members of his family know how to conduct themselves with diplomatic nicety. One uncomplimentary statement or injudicious act by his wife, for instance, could break down all the goodwill he has been able to generate.

"I have seen many times how disastrous it can be for a company when it selects the wrong man to represent it abroad," Mr. Baan says. "Being a good businessman in the United States is no guarantee he can do the job overseas."

Mr. Baan recalls visiting a European representative of one of America's largest corporations in Germany not long ago.

On the wall behind his desk was a reminder that 80,000 German workers owed their jobs to his company. Not the kind of thing the strongly nationalistic Germans appreciate, says Mr. Baan.

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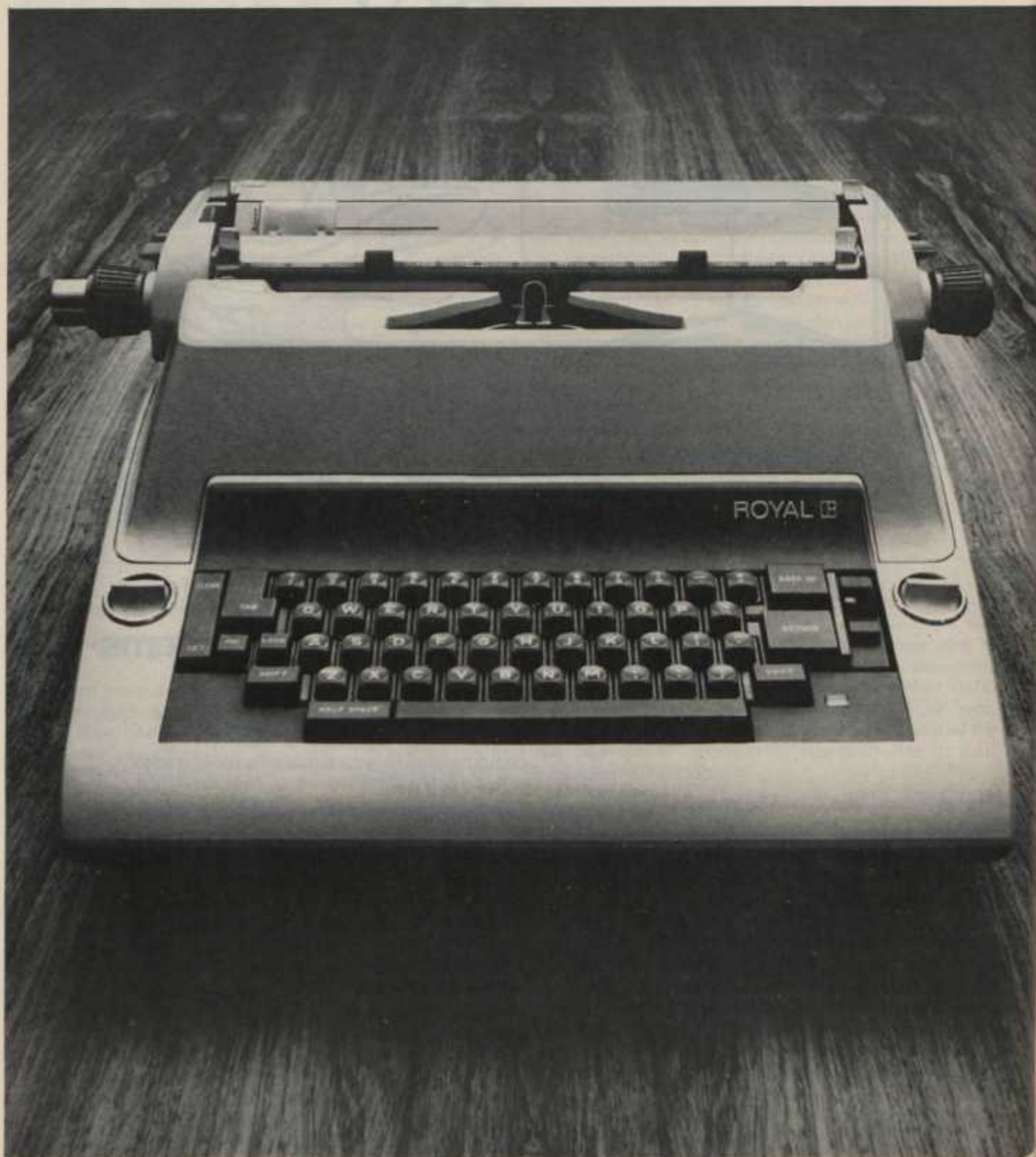
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SOUND OFF TO THE EDITOR

LIMIT SUPREME COURT TERMS?

It's been 25 years since Franklin D. Roosevelt was President and more than a decade since Dwight D. Eisenhower was in the White House. But their appointees still comprise a majority of the United States Supreme Court.

It's highly likely that, during his tenure, President Nixon will name a new court majority. If so, it undoubtedly will serve far beyond his Presidency. And if his successors, Congress or, for that matter, the nation disagree with the way the court is operating nothing can be done about it.

Those are points raised by critics of the system under which Supreme Court Justices, and other federal judges, are named to life terms. The argument is aimed particularly at the Supreme Court, because it is the tribunal of last resort.

Short of misconduct that could be

grounds for impeachment, Supreme Court Justices are answerable to no one.

This, the critics say, makes them too aloof from the problems of society and leads them into an ivory tower approach which produces all sorts of decisions remote from practicality and counter to the deep-seated sentiments of most of the nation.

In the view of many, Supreme Court Justices should no more be immunized from public opinion than should other public officials, be they town council members or Presidents.

Some suggest that the Justices be appointed to fixed terms, perhaps six or eight years, and come up for reappointment by the President and reconfirmation by the Senate. Others propose an age limitation of 70 years. (Two of FDR's appointees still serve—Hugo Black, 84 this year, and William O. Douglas, 72.)

But those siding with the Founding Fathers' decision to provide life terms for the Justices hold that limiting their tenure would be the worst possible action.

A Justice who had to work under the knowledge his actions would be evaluated by a President and a Senate majority from time to time would be sorely tempted, they say, to tailor his decisions to shifting political patterns. This, they add, would destroy the independence of the federal judiciary, an original American goal.

As for setting an age limit, it is asked whether Congress could approve such a Constitutional amendment for federal courts without applying the same standard to itself—something it is not likely to do.

What do you think? Should the terms of Supreme Court Justices be limited? If so, how—by fixed terms or by age?

Jack Wooldridge, Editor
Nation's Business
1615 H Street N.W.
Washington, D.C. 20006

Should we limit Supreme Court terms?

☐ Yes ☐ No

Comments:.....

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Name and title.....

Company.....

SOUND OFF RESPONSE

COUNTING AND THE COSTS

By a very narrow margin, readers taking part in the March "Sound Off to the Editor" survey are opposed to conducting a national census every five years instead of every 10.

Principal reason? Costs.

This year's census is costing Uncle Sam nearly \$1 for every American, and there simply does not seem to be a great deal of enthusiasm for spending such sums more often than really necessary.

In posing the question, "Should we take a five-year census?" NATION'S BUSINESS pointed out the usefulness of the census to businesses, to various levels of government and to individuals.

It also pointed out, on the other side, that not only is there the matter of expense, but there are objections to census questions as invasion of privacy.

As answers began to come in, it soon became obvious that readers want government spending cut, not increased, even if information collected is beneficial.

"A five-year census would be unnecessary and wasteful of taxpayers' money," wrote G. E. Kuhn, owner of citrus groves near Leesburg, Fla. "Statistical trends can easily be determined within 99 per cent of accuracy on the basis of the decennial census. Let's avoid further government featherbedding."

In big cities, as well as in small towns, sentiment generally was against more census taking.

Orville D. Crowder, senior vice president of Long Point National Bank, Houston, Texas, wrote: "The information received each 10 years together with that compiled annually from various sources allows our experts to forecast population movement and growth. This allows economic data compilation for our economic planning and needs."

And from Kansas City, Mo., B. C. Snidow, assistant secretary of The American Hereford Association, argued: "It would seem that each 10 years would be adequate. Shorter terms might well provide only temporary data that would not be realistic or meaningful in predicting trends, needs, etc."

From Pittsburgh, Pa., Walt Christopher, office manager for the South Pittsburgh Water Co., wrote that government agencies, aside from the Census Bureau, which update their records often should be able to provide good figures. "Let's spend this money for roads, air pollution and helping the needy," he urged.

Don't have a census every five years, or every 10 years, but every 20 years, said B. G. Bufford of Denver, Colo.

William E. Berger, administrative vice president, Alexandria, Minn., Boat Works, Inc., was one of many respondents who said they believe that trends are predictable through the computer, and a census every decade is enough.

Americans obviously don't like to answer questions about themselves, their families, income, preferences. Many take the attitude that this is none of the government's business even though personal information is kept strictly confidential.

Two respondents who mentioned "privacy" were Leo B. Crites, owner of a transfer company in Cumberland, Md., and Regis T. Schmitt, owner of a service station in Pensacola, Fla.

Mr. Crites cited three reasons for opposing a more frequent census: Cost, necessity for more census taking not proven by the proponents and the danger of invasion of privacy.

Mr. Schmitt said simply that a census deals too much in "private matters."

Herman N. Light, vice president and business consultant for Ambassador Motels, Inc., South Bend, Ind., wrote that census taking is an "annoyance."

Those who approved taking a census every five years had a variety of reasons. One was that times are different now than they were nearly two centuries ago, when census taking was first ordered for every 10 years.

We move around more and move faster, they said. Businesses change more rapidly, people shift jobs more often, cities quickly grow up where towns used to be, towns are left behind and wither away.

All of this, they said, means the United States government, and businesses, need fresh, accurate information.

William Papier, director of research and statistics, Ohio Bureau of Employment Services, in Columbus, reasoned this way: "We cannot afford not to take a national census every five years. Hundreds of millions of dollars, both private and public, are allocated geographically on the basis of 'guesstimates' as to what happened over the past 10 years, in terms of market changes and patterns of population growth and shifts."

J. P. Batterson, president, The Cunard-Lang Concrete Co., also of Columbus, Ohio, said: "We are in a fast-moving and changing economy. We are in a computer age and we cannot operate with 'horse and buggy' data."

Warren H. Pope, manager for the Snelling and Snelling employment service in Pittsburgh, argued: "A properly taken census can provide both business and government a sound basis for planning. Again, if properly done, this should more than pay for itself in economic return. Questions to be asked should be strictly screened for a solid purpose."

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Where the FTC's New Chairman Stands

Caspar W. Weinberger spells out his philosophy on the Federal Trade Commission's dealings with business, and forecasts what some of those dealings will be



Caspar W. Weinberger has taken over as chairman of the Federal Trade Commission at a particularly crucial time for that 56-year-old government agency.

The oft-criticized FTC has been the object of a heavier-than-usual barrage of faultfinding—in the past year both an American Bar Association panel and a group of law students operating under professional crusader Ralph Nader have issued detailed, well-publicized critiques of its efficiency and effectiveness.

And one of its principal concerns, the consumer, has become a subject of consuming interest both in and out of Washington.

"Cap" Weinberger, 52, who was sworn into his current post Jan. 13, is a veteran of public affairs in California. He was a state legislator for six years, representing San Francisco, and in March, 1968, became the

state's finance director, under Gov. Ronald Reagan. He was planning to return to private law practice when the Californian in the White House asked him to serve in Washington.

A former chairman of California's G. O. P. State Central Committee, he is one of only two Republicans among the five FTC commissioners. President Nixon will have a chance to make that three Republicans when the term of Commissioner Philip Elman ends in September.

FTC commissioners are appointed for seven-year terms. They could be a long seven years for Mr. Weinberger, as he faces the multitude of complexities confronting the FTC.

In the following interview with a NATION'S BUSINESS editor, he discusses some of those complexities—including broad topics such as the relationship of business to the FTC and where and how fast the agency

should act, and specifics such as unsolicited credit card mailings, the labeling of gasoline pumps and "quality" in the automobile industry.

What do you see as the basic role for the FTC?

I think it has a very important series of roles to play in the future of American business.

It has a major function in assuring that competition will be free and fair. It has divided responsibilities with the Department of Justice on the antitrust laws, and these constitute an important tool in the hands of government to assure that people who wish to enter business can do so, that people who are in business can be sure of a reasonable, legitimate profit, and that the public will be free from the exercise of monopoly power.

I also think the agency has major responsibilities in the consumer pro-

tection field. It is perhaps symptomatic of the times that there is so much interest in this field. There have been a lot of suggestions for the formation, staffing and arming of new agencies. The Federal Trade Commission has had major powers here for a long time. It would be my desire to use this authority in a way that would produce substantially increased protection for the consumer, and at the same time assure business that the government is very much interested in its success, because this means the success of the entire economy, and therefore everyone.

Are you for increasing the state government role in the consumer area?

Yes. I think that every activity is carried on more effectively if it's done by people who are closest to the scene. Actually, I think the best consumer protection of all would be done by self-policing, self-regulated programs that would eliminate the need for any government action, because they would be based on a recognition by business of the desirability and improved profits available in products that did not require any recalls or produce demands for increased governmental regulation.

If business does not adopt consumer protection programs that are adequately financed and managed, then I would favor one originated by the government closest to the customer, which would be local government. The next best would be one run by the state government. The least effective is one that is farthest removed from the people, in this case the federal government. In the absence of anyone else doing it, then I think the federal government has to do it.

Of course, the federal government must play a role where interstate commerce is found, and in any event, can play a real role in consulting and setting guidelines and being of assistance to local government, and this, I hope, the Federal Trade Commission will be doing.

Will the FTC, then, be making proposals for more self-regulation?

Yes. We will make strong requests and suggestions to business that this is the best way to operate a consumer protection program. A lot of people think of consumer protection pro-

posals as being an anti-business program. I do not think so at all. I think the buyer has the very obvious right to expect that products will be as advertised and up to his reasonable expectations. When products do not come up to his expectations, or when they are not safe or usable, he first demands redress and next government action. This eventually could lead to very undesirable changes in the basic free enterprise system. I would very much hope that business would recognize the legitimate requests and needs of consumers so as to minimize the need for governmental action.

Does that mean you are going to be meeting with representatives of various industries?

Yes. With representatives of industries, of consumer organizations, of Congress, of various associations of all kinds. I feel we need a lot of help.

You recently announced that consumer advisory boards composed of federal, state and local officials, plus representatives of private organizations, will be set up in 11 cities. How will they operate?

We have field offices in 11 major cities, and these groups are being established initially in them. They also will be established in other major metropolitan areas. Initially, the purpose is to bring together all the representatives of the various levels of government dealing with consumer protection problems. The federal government has several agencies in this field; the state governments are starting to have some; local government has traditionally had various agencies.

A great deal can be accomplished by discussions among representatives of these agencies to prevent duplication and to focus the full governmental capability in this field, so that a consumer will not simply be told that his particular problem cannot be solved, for example, by the federal government. He will be told the federal government does not have jurisdiction over his problem, but the appropriate agency to handle his problem is this or that local state agency, and he can therefore receive some real service.

Is one of your goals in getting more

cooperation from states, local governments and private sources to ease the FTC's burden?

Partially. The federal government should not try to do day-to-day enforcement in what are essentially local affairs. You cannot expect us to get on Main Street and into every shop, into every supermarket. It is a very undesirable role for the federal government to play and one that it is not, in any sense, able to play.

Speaking of burdens, at what level is the FTC's backlog of cases?

I do not think we are troubled by as big a backlog as we were some months ago. In December, the Commission dismissed a great many stale matters that had been pending for a long time, and there has been a substantial improvement in capability for current and more important work.

I am very hopeful that we can act much more rapidly than we have before, because I think a case that drags on for six or seven years does not help business, does not help the Commission, and certainly does not help the people. Most businessmen, in my experience, want to know exactly what they are required to do or should be doing, and to know it as soon as possible.

Could the dismissals of those cases lead one to infer that some of them were not justified?

It is hard to say that. I did not have any direct opportunity to examine any of them. Many were dropped not only on the basis that they were old, but because they represented matters which were too trivial or too local for the Federal Trade Commission.

How about priorities at the FTC?

One of the first things the Commission itself should do is get a more effective means of setting its priorities. Our Program Review Office has been vacant for over a year and a half, I believe. This is a very important office. Essentially, it would make recommendations to the Commission as to ways of applying its manpower and resources to the areas of greatest concern. Some years that might be advertising or credit extension; some years it might be a much more vigorous application of the antitrust laws in certain indus-

Where the FTC's New Chairman Stands *continued*



The President has spoken of decentralizing government, getting more things done on a regional level.

My first action in January was to have all of the attorneys in charge of our field offices come to a Commission meeting here. We have now made recommendations based on what we learned at that meeting for a greatly increased role in the field offices, a role that envisions their beginning an investigation, issuing subpoenas, completing an investigation, preparing and trying cases—things that have previously been centralized in Washington.

There is a certain overlap in the definition of roles of the FTC, and other arms of government. Do you hope to establish more coordination?

Very definitely. We have some major areas that overlap—the Department of Justice, the Food and Drug Administration, HEW, the Federal Communications Commission to some extent, and several others. We have some good examples of excellent liaison; for example, liaison with the Department of Justice has been going on for some time, and I think we have pretty well eliminated any problems with that overlap. We have staff committees that meet and make allocations of subject matter to the Federal Trade Commission or to Justice.

We hope to establish a similar kind of activity with the Food and Drug Administration, where there have been problems in the past. It is important, where you have two agencies with overlapping functions, that there not be any duplication. Taxpayers are entitled to that.

May we discuss some specific areas of FTC activity? What are you doing in the field of radio and TV advertising?

Our agency does not have anything to do with the length or the number of commercials, but we are vitally concerned with the problem of truth in advertising. We used to look over scripts that were furnished to us in advance. We still do that, but we also are watching and listening to radio and television advertising that we have not had a chance to examine ahead of time.

One of the things that can most destroy the confidence of the public in business is a feeling that whatever

they hear in the ads on the air is bound to be false. There is getting to be a growing feeling of this kind.

The President favors legislation allowing the FTC to get court injunctions in supposedly deceptive practice matters. You have testified you would like a law spelling out FTC authority to issue industry-wide rules and allowing your agency to award damages against deceptive advertisers. Could you explain why these steps are needed?

Mostly because of the delays involved in present procedures. The President suggested we have authority to get an injunction prior to starting a cease and desist action, which can take four, five or six years. The injunction would only be available if we were able to show a federal court that there was a strong likelihood of a violation of the law.

Under present rules, an advertiser against whom we feel we have conclusive evidence establishing violation of the Federal Trade Commission Act, can, employing reasonably competent attorneys, hold the matter up for two or three years. If you have an injunction, you stop the challenged practice while you are testing it out.

The injunction is available to the Trade Commission involving labeling and things of that kind, but it is not available under the law forbidding deceptive or unfair practices. There is a very fuzzy area of undecided cases with respect to enforceability of rules adopted by the Federal Trade Commission. Once those rules are adopted, they would be a lot more effective if they were enforceable through civil penalties imposed by the Commission. But if the company involved took the matter to court, as is their right, and they proved no violation, obviously all civil penalties imposed would be restored.

Is this the only new authority you feel you need?

Well, the original Trade Commission Act only authorized the Commission to move in areas in interstate commerce. All the other recent acts for other agencies used the term "affecting interstate commerce" and the President has wisely proposed that we have the same uniform powers that other agencies do in matters affecting interstate commerce. This is a comparatively narrow change, but an important one.

tries; some years it might be in connection with specific consumer protection plans—warranties, for example.

In a Commission of this size we are apt to get into the situation that has caused so much criticism in recent years; that is, that we simply react to suggestions from the mailbag or from some businesses' competitors, without having any direction or established policy.

The first priority is to try to get that office staffed and operating; otherwise we are always going to be about a year or two years behind actual needs, because we have to make up our budgets that far ahead.

Do you have any plans about techniques for speeding up procedures?

We are trying to eliminate delays by a concerted program of rules changes, and getting the word around to everyone in the agency that not so much deliberate speed but effective speed is the goal. For one thing, a great many appeals formerly were taken from interlocutory and intermediate rulings of hearing examiners. This means that the whole proceeding has to come to a stop while the matter is taken up to the Commission; briefs would be written and then sent back, on what might be a procedural point, following which the hearing would resume.

The whole process on each appeal would take a year or a year and a half. This sort of thing has contributed to the six- and seven-year hearing times that have been logged in the past.

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Where the FTC's New Chairman Stands *continued*

The Administration has proposed that class action lawsuits by individuals or groups of individuals be authorized against merchants and manufacturers, but only after the FTC or the Justice Department has obtained an injunction against them. Others have proposed class action suits without the prerequisite of government action. Could you comment?

I have seen the class action suit in process. It is a form of action, as you know, in which a single plaintiff can associate in his action, involuntarily, all of the other people in the United States who are similarly situated. For example, a man gets a defective vacuum cleaner. He can bring a suit, and he can join, without any acquiescence by all of the other purchasers of that vacuum cleaner, every one of them in his lawsuit. He can build potential liabilities up to literally hundreds of millions of dollars against a single company.

It is an effective action, because on many occasions—such as the case I mentioned, the man with this defective vacuum cleaner—he does not feel he has much of a remedy if he has to bring a \$50 or \$60 lawsuit, but if he has several people join with him and it becomes a multimillion-dollar lawsuit, then he feels he has an opportunity to secure redress.

By the same token, it is a suit to which business is particularly vulnerable, and it lends itself easily to abuse. I think it should only be applied with suitable protection. There is a lot of disagreement on it, but the Commission has supported the Administration viewpoint.

There has been a lot of criticism of some of the games used to promote sales. Are there any plans to ban them?

The Commission has passed very detailed rules regarding games of chance and sweepstakes and things of that kind. This has resulted in a great many small administrative problems being submitted to the Commission, as to whether so many winners in a packet constitute compliance with our rules. It has brought us to the position of virtually administering the operation of several of these games and, by the same token, has in a sense resulted in the Federal Trade Commission's putting a seal of approval on some games.

I think this is not a very desirable or practical role for the federal

government to play. Some commissioners have suggested that because of the illegal nature of certain lotteries under state laws, the Commission's proposals should be to, in effect, rule out all games of chance; but at the moment the desire is to insure primarily that whatever types of games or promotion schemes are offered, they be honestly conducted.

The Federal Trade Commission has told Congress that the automobile industry should be regulated on the quality of its products, because the auto has become an essential of life, like drugs and electric power. Does the FTC feel that other essentials such as housing and clothing should be regulated?

I do not think anything very radical was proposed. A lot of the newspaper headlines spoke of our recommending that the automobile industry be treated as a public utility. This is a rather spectacular way of phrasing something quite different.

Primarily, what was recommended was that the federal government set certain standards of quality and safety. To a considerable extent, this is already done, though it is not coordinated or consolidated, and there have not been previous federal attempts to enforce or require warranties. On the other hand, there was some evidence that existing warranties failed to give real protection to automobile purchasers. That is what the report was about, that there be certain standard warranties, and rules requiring companies to live up to the warranty.

We have this kind of regulation in a great many areas. We have it now in advertising, and we have it in lending. And the Administration has just proposed that there be minimum federal requirements as to the contents of a warranty when any consumer product costing more than \$25 is sold, if the words "guarantee" or "warranty" are used by the seller.

Then there was no thought about price regulation?

No. None whatever.

What is the FTC position on mailing of credit cards on an unsolicited basis, and, in another area, on requiring posting of octane ratings on gasoline pumps?

The Commission has been concerned with the very undesirable aspect of mailing unsolicited credit

cards. We have had more mail on that point in recent years, the staff tells me, than on anything else. A great many people feel that the receipt of unsolicited credit cards in the mail has an undesirable effect on credit. It may also encourage people, whose credit has not been investigated, to spend a lot of money, and result in losses to people and to business. It obviously contributes to inflation.

The Commission has issued a trade regulation banning this practice. Because banks and air carriers are regulated by other agencies, our rule is not specifically applicable to them, but we have made it clear we would feel free to proceed on a case by case basis, rather than by rule, against banks or others if we felt any unfair practice was involved.

Most of the commissioners feel that when a bank issues a credit card, it may not be engaging in banking business.

The posting of effective octanes would simply be in line with the right of the public to have a full disclosure about the products it purchases. There has been a lot of misinformation about octanes and what effect they have, and now there is a great deal of controversy about the amount of lead used in certain additives going into gasoline and their effect on pollution of the environment.

The Commission is certainly considering this problem.

Are there any other ideas about new regulations you would care to mention?

The evidence is not completely in, but hearings are under way with respect to requiring directions to be affixed to new fabrics—telling purchasers whether to dry-clean, then how to wash them, how to take care of them. Some of these fabrics are destroyed if they're improperly cleaned, and there is a very serious proposal to require that the label give simple and complete instructions about proper care. I think this is something we can assume will take place in one form or another.

Most of our other ideas are in the formative stage and the cause would be better served if we completed our investigations, rather than speculate on what we might or might not do.

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QUARTERLY OUTLOOK SURVEY

Accentuating the Positive

Businessmen may not be so optimistic about the fight against inflation or when the slowdown will end, but most are bullish about their own companies' prospects



William J. Quinn, president, Chicago, Burlington & Quincy Railroad, feels business and profit levels will hold firm despite rising prices for products and services.

Vernon Stouffer, chairman of Litton Industries' Stouffer Foods Corp., is optimistic about business in general. He also looks for interest rates to go down "a little."

American businessmen appear overwhelmingly optimistic that their own companies' volume and profit margins will rise in coming months, even though they show continuing concern about inflation and the state of the general economy.

NATION'S BUSINESS, in its thirty-fourth Outlook Survey, asked executives what they thought would happen to their firms' sales or other volume during the last half of 1970.

"Increase," said 510 executives.

"Level off," said 197.

"Decline," said 136.

The answers conformed to patterns in previous Outlook Surveys, when

businessmen also tended to be more confident about their own companies' prospects than they were about those of others.

Some of the answers this time:

Anderson Clayton & Co., wrote Chairman S. M. McAshan from his home office in Houston, expects new activities, new products and a general population increase to make for better company business late this year.

A larger sales force will be in the field for Massachusetts Mutual Life Insurance Co., Springfield, Mass., boosting business sharply, said James R. Martin, president.

Robert H. Stier, chairman of Ryder



The fight against inflation isn't going well, says President S. S. Cort of Bethlehem Steel Corp., Bethlehem, Pa. He sees costs of all goods and services continuing to rise.

Business in general will feel little effect from the slowing of the Viet Nam war, says Rodney C. Gott of New York, chairman of American Machine and Foundry Co.

Truck Lines, Inc., Jacksonville, Fla., said new markets made available to his company through expansion and acquisitions will increase volume.

C. T. Gray, president, American Forest Products, San Francisco, said he looked for increased home building to boost his company's sales.

Sperry Rand Corp., New York, expects new products will lift the level of its business, said Roderic S. O'Connor, director of business research.

He added that price increases are necessary to offset increased costs.

As for profits, 340 executives forecast improvement, 271 said they ex-

pect their margins to hold firm, and 179 predicted declines.

Price rises seen

Asked what would happen to prices of their products or services during the last half of 1970, executives replied this way:

"Rise," said 484.

"Stay the same," said 206.

"Some go up and some down," said 104.

James E. Gettys, president, Standard Knitting Mills, Inc., Knoxville, Tenn., gave a representative explanation for price increases. He cited "our all-out effort to pass along at least

part of the inflationary trend of higher wages and higher raw materials."

Here's how balloting ran on the key question, "What will happen to your company's spending for capital improvements in the last half of 1970?"

"Increase," said 219 executives.

"Decrease," said 240. "Remain the same," said 396.

A request for business community opinion on how the fight against inflation is going turned up great depth of feeling.

It is not going well at all, the great majority said. Individual answers included such expressions as "poorly," "not well," "discouraging," "ex-

Accentuating the Positive *continued*

tremely disappointing," "terrible" and "so far it has hurt more than it has helped."

The rate of inflation either has not been arrested or has been retarded only imperceptibly, said 698 of the 855 executives who took part in the survey.

Only 98 businessmen expressed a substantial degree of contentment with the anti-inflation effort. Twenty-two expressed no opinion at all.

"The fight against inflation has been lost because the government mistook activity for inflation," wrote Dr. John J. McMullen, president of United States Lines, Inc., New York. "The tight money policy has forced industry to curtail its activities, but labor has used a difficult period to increase its demands to an excessive amount."

Dr. McMullen said he could not estimate how long the present slowdown in business will last because "even when revival tactics are introduced, it will take a long time for capital to regain its courage."

"Dreadful"... "terrible"

Charles K. Cox, president of Insurance Co. of North America in Philadelphia, said his industry suffers "dreadfully" from inflation and the fight to contain it is making "discouragingly slow" progress.

S. S. Cort, president of Bethlehem Steel Corp., of Bethlehem, Pa., was optimistic over improvement in the economy; he said consumer and capital spending will pick up in the second half of 1970. But on the subject of inflation, Mr. Cort was grim.

"Not well," he said in describing how the inflation fight is going.

"Terrible" was the word used by Rodney C. Gott, chairman of American Machine and Foundry Co., of New York, and by J. W. Feighner, president of Tom Huston Peanut Co., of Columbus, Ga.

Mr. Gott went on to say that the main factor reviving the economy "will be visible control of inflation, which in turn means constraint on the part of unions."

Mr. Feighner said that some steps taken by the Federal Reserve system and the Nixon Administration should

help tame inflation, but that so far the spiral continues unabated.

E. Guy Ridgely, president of the Alexandria National Bank in Alexandria, Va., called for "strict" wage and price controls. Anti-inflation moves have not been good, he said, because it appears the Administration is risking a major recession to beat inflation.

Charles R. Tyson, president of the Penn Mutual Life Insurance Co., of Philadelphia, brushed off the inflation fight as being "too little and too late." J. H. Cochrane of Overnite Transportation Co., Richmond, Va., said more harm than good has been done, and cited increased taxes and interest rates as evidence.

The only comment by Phillip H. Burdett, vice president and assistant general manager of Remington Arms Co., Inc., Bridgeport, Conn., was "Ugh!" Looking to the future, Mr. Burdett said he had confidence the government will reduce spending.

Railroads are high labor content organizations and John M. Budd, president of The Great Northern Railway Co., said that therefore they suffer an extra amount from inflation.

The estimate he and scores of other executives made of the effort to control inflation was summed up in two words: "Going badly."

L. B. Maytag, president of National Airlines, of Miami, and several others, used the word "poorly."

"Rough" describes it, according to Hugh C. Howard, president of H. H. Howard Corp., of Chicago. He joined the growing chorus calling for controls. Vernon Stouffer, chairman of Stouffer Foods Corp., of Cleveland, also called for controls "for a year to keep things in line."

Rosier views

Among executives with a more optimistic outlook was J. O. Nicklis, chairman of Pitney-Bowes, Inc., Stamford, Conn., who said fiscal and monetary policies are now beginning to take effect.

Three others with a somewhat rosy view were Grant M. Bennion, president of Ginn and Co., Boston; T. L. Austin Jr., president, Texas Power & Light Co., Dallas, and John P. Fraim,



John M. Budd, president, Great Northern Railway Co., St. Paul, Minn., is among many executives predicting that interest rates will nose down "slightly" in the next few months.

A rising demand for goods, due in part to increasing population, will end the business slowdown, says T. L. Austin Jr., president of Texas Power & Light Co.



PHOTO: M. KERRY—PE



PHOTO: TORREY & KILLGROVE

Interest rates will "stay the same," and the fight against inflation is going "poorly," in the opinion of L. B. Maytag, National Air Lines president.

president and chairman, Mutual Broadcasting Corp., Los Angeles.

"Present restraints plus federal budget curbs should bring inflation under control by late 1970," said Mr. Bennion.

"Inflation is still going, but slowing a little," said Mr. Austin.

"I do feel the steps taken by the Administration will eventually slow inflation," said Mr. Fraim.

Said Robert W. Sarnoff, board chairman and president of Radio Corp. of America:

"Inflationary pressures are building somewhat more slowly than early in 1969. It is clear, however, that some restraints should be maintained until these pressures have been more effectively contained."

A question about the direction of interest rates—invariably tied in with inflation—brought a variety of answers.

Three hundred eighty-seven executives said rates are on the verge of going down slightly while 361 predicted they will stay the same. Only 128 looked for further rises and 34 executives had no opinion to offer.

A 1 to 2 per cent drop was forecast by James S. Kemper, president of Kemper Insurance of Chicago.

A. C. Swanson, chairman of Western Auto Supply Co., Kansas City, Mo., cautiously wrote: "Believe we may get some small relief—not too significant." Roughly the same thought was expressed by Robert B. Nicholas, manager of corporate planning for Atlantic Richfield Co., New York, who said, "At best there may be some modest reduction but we expect interest rates to stay at relatively high levels."

William Dillon, president of Northwestern Steel & Wire Co., Sterling, Ill., foresaw some relief but said he didn't expect rates to go "back to where they were."

Among executives predicting slight declines were: William R. Adams, president, St. Regis Paper Co., New York; Morris Eisenberg, president, Biltbest Corp., St. Genevieve, Mo.; Raymond French, president, Canal-Randolph Corp., New York, and S. S. Greeley, president, Masonite Corp., Chicago.

Douglas Sloane IV, vice president and treasurer, Towle Manufacturing Co., Newburyport, Mass., had another opinion. Rates will be the "same or higher if Congress releases a flood of appropriations in excess of expected revenues and in an election year I'm concerned that this is a foregone conclusion. Tight money will still be our chief weapon to fight uncontrolled inflation. Thank goodness for the 'Fed' (Federal Reserve Board)."

Max Bass, president of Accurate Machine Tool, Inc., Cleveland, was among executives who predicted higher rates, with no ifs, and's or but's.

War pace means little

A third great influence on business conditions just now—in addition to inflation and interest rates—is the war. NATION'S BUSINESS asked: "How do you expect the slowing of the Viet Nam War to affect your business?"

"Little or no effect" was the opinion of 629 respondents. Only 86 forecast great effects, either for better or worse. Moderately favorable effects were anticipated by 47, while 40 ventured no opinion.

The slowdown in fighting is having "little or no negative effect," wrote J. Henry Smith, president of Equitable Life Assurance Society of New York. "We expect easier recruitment of personnel and expanded sales, especially if the slowdown is gradual rather than abrupt. In the longer run, an end to Viet Nam would be wholly beneficial."

The hotel business "will significantly improve as people feel better about the world around them and spend more on travel and entertainment," said Roger Sonnabend, president of Hotel Corp. of America, Boston.

"Every military person is a potential customer. It [the war slowdown] should improve our business plus take the labor shortage and tax pressures off. All these factors should help the consumer product markets," wrote A. Byron Reed, president and chief executive officer of Munsingwear, Inc., Minneapolis.

The war's pace is not a major business factor for Polaroid Corp., Cambridge, Mass., according to David W.

Accentuating the Positive

continued

The business slowdown will last "through 1970 without question," writes A. C. Swanson, chairman of Western Auto Supply Co., Kansas City, Mo. Waning of the war should help, he says.



PHOTO: DENNIS BRACK—BLACK STAR



E. Guy Ridgely, president, Alexandria National Bank, Alexandria, Va., looks for money diverted from Viet Nam War spending to help with domestic programs, which he says will help boost business in general.

Skinner, vice president, nor for The Standard Oil Co. (Ohio), of Cleveland, according to C. E. Spahr, chairman and chief executive officer.

Others expressing much the same thought included: Fred H. Merrill, chairman, Fireman's Fund Insurance Co., San Francisco; Lawrence Emley, president of Kiwi Polish Co. of the U. S. A., located in Pottstown, Pa.; William F. May, chairman of American Can Co., New York; L. L. Christ, president of Keene Products, Inc., Middlebury, Ind.; Robert H. Willis, president, Connecticut Natural Gas Corp., Hartford, Conn., and R. T. Person, president, Public Service Co. of Colorado, Denver.

Reduction in procurement of helicopters is one result, said H. M. Merrill, president of Hexcel Corp., a metal fabricating company in Dublin, Calif.

The slowdown will "adversely affect some aspects of our business," wrote William J. Quinn, president of the Chicago, Burlington & Quincy Railroad Co.

As for William F. Lucas, president of Brown-Forman Distillers Corp., Louisville, Ky., the war's slowdown is "wonderful, no matter what happens."

NATION'S BUSINESS again took economic temperatures by asking, "How long do you look for the present slowdown in business to last?"

Executives surveyed 18 months ago called the turn correctly when they foresaw a dip. Furthermore, they pinpointed reasons.

Now, here is the latest tabulation of answers to that most important question:

- 45 executives said the turndown will not last long.
- 193 foresaw another six months of lagging business.
- 131 predicted improvements coming early in the autumn.
- 203 looked for another year in the downturn posture.
- 41 predicted another 18 months of downturn.
- 19 pessimistically said this condition would prevail for two years.
- 21 said they have experienced no turndown at all.
- 63 would not venture an answer.
- Seven said the end of the Viet Nam war would end the turndown.
- 76 gave carefully hedged answers which, more or less, defied categorizing.

J. W. Keener, chairman of B. F. Goodrich Co., Akron, was specific when he wrote the slowdown would last "12 months or so." Reasons? "Higher consumer incomes resulting from surtax elimination, higher Social Security payments and higher wages, both government and private."

A "six to nine months duration" man was Lyndes B. Stone, president, Phoenix Mutual Life Insurance Co., of Hartford, Conn. Further, he wrote that "the revival will be rapid as the result of deferrals in meeting the backlog of demand."

"Through 1970," said W. E. Roberts, president of Ampex Corp., of Redwood City, Calif.

"Through 1970 and possibly into 1971," said Bennett Archambault, chairman and president of Stewart-Warner Corp., Chicago.

The "year or longer" group included Wilson Mothershead, chairman of The Indiana National Bank, Indianapolis, and G. E. Marsh, chairman of Santa Fe Industries, Chicago. Mr. Marsh went on to write that the comeback will take time in coming, due to the "expiration of the surtax and other tax changes effective in 1971-72, easing of fiscal policies and possible budget surplus." **END**

The industrial emergence of Iowa:

122 of America's top 500 companies now operate 457 plants in Iowa.

As World War II ended, the farm states of the Midwest found themselves in a difficult position. Technological and biological advances had made it possible for one farmer to farm more land than ever before. The result — fewer and fewer farm jobs. With the prospect of mass unemployment in the future, Iowa set out to industrialize herself.

Slowly at first, then more rapidly, Iowa's industrial capacity grew as her recruitment methods reached a high level of sophistication. In recent years Iowa trade missions have jetted abroad, seeking new markets for Iowa products. High level brainstorming sessions have produced some startling ideas. A new promotion theme — "Iowa... a place to grow" — has been developed. A contemporary new symbol depicting growth in all directions has been designed. Iowa's dynamic young governor has led groups of Iowa businessmen throughout the nation acquainting industrial prospects with Iowa's advantages. Today Iowa's soaring industrial output exceeds even her enormous agricultural contribution. Among the new industries selecting Iowa sites last year: General Mills, Inc. and Kitchens of Sara Lee are building plants in the state and Transamerica Investors Group is erecting a 20-story office building.

Iowa's biggest asset is her people. Iowa colleges and universities graduate more Ph.D.'s per capita than any other state. Her work force is intelligent, educated and endowed with typical Midwestern pride in work. Personnel Directors privately admit Iowa plants are generally more productive than sister plants in other states.

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million increase in state aid to local schools, which makes the Illinois per capita contribution among the highest in the nation.)

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We're expanding our State recreational facilities. We're

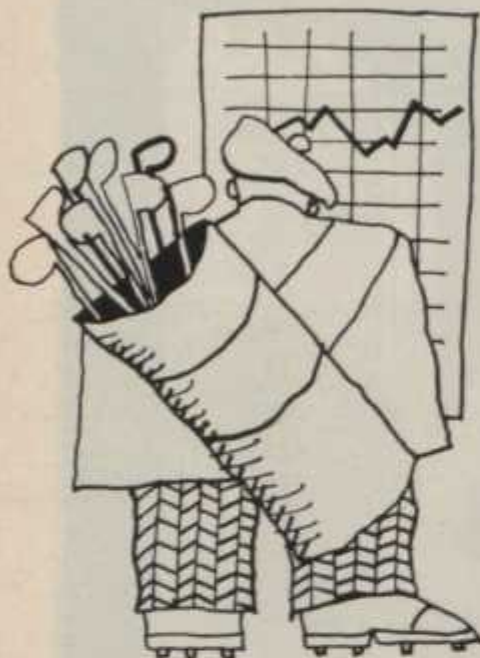
innovating in the area of law enforcement and penal reform. We're overhauling our revenue policies—Illinois recently became the first state to share state income tax funds with local municipalities on a per capita basis with no strings attached.

In the new Illinois, progress is the first order of the day. If your plans include expanding or relocating, we urge you to consider what Illinois can do for you and your company.

In the new Illinois, we accommodate.

THE NEW ILLINOIS

A Par Will Help Your Business Score



More businessmen play golf than any other sport and they always know where they stand. They get the hard facts because there is a par figure that provides an unvarying standard to tell them whether they are playing well or wasting shots.

The businessman can hope to equal par, the mark of the expert, but he also is fully aware when he has played badly, or just isn't that good a golfer. With par available, he cannot be deceived or deceive himself.

It is no wonder businessmen like golf, but it is puzzling why they so often fail to apply the principle of par to operations in their own plants and offices. If such a criterion is not established for a business, the top executives have no fixed system to determine the effectiveness of the operating

areas, nor any checkpoint when profits deteriorate.

Unfortunately, many top corporation executives fail to recognize that slippage exists.

Slippage may go unnoted when the executive is a "comparer" of his plant against others in the same field—in output, earnings, physical facilities, operation.

Comparison almost never works as a gauge of business efficiency since it assumes two diverse operations are in identical situations. They are not, no more than two golf courses are precisely alike.

In golf, par must be reckoned for a specific course. No other may be exactly the same in distances, rough, traps and green areas. A businessman playing at Pine Valley in New Jersey would not use the identical hole-by-hole strategy he'd try at the manicured fairways of Pebble Beach in California.

Into the rough

Yet the businessman does commit that sort of error when he applies the comparison method to his productivity and profits formula. He is likely to make an unsound decision because he has not established the par for his company and has no firm guide.

Trained specialists experienced in detecting operating flaws and correcting them can arrive at this desirable par standard as they put together the total design of the company.

As an illustration of how a company can deceive itself, take the case of a bakery with plants in Philadelphia, Boston and Buffalo. The vice president in charge of the plants, with his office in Boston, used pounds per man-hour as his prime gauge of productivity.

He found the Philadelphia plant consistently behind Boston and Buffalo. But he was reluctant to close the bakery or replace the manager, as the owner demanded.

The vice president's hunch was right. The Philadelphia bakery actually was the best-operated of the three, but this could never be established through straight comparison of pounds per man-hour.

The Philadelphia plant was the oldest and required more maintenance for its equipment. The manager had installed a more efficient upkeep system, but the man-hour figure necessarily was higher.

Also, the Philadelphia bakery produced more lightweight sponge products than the others, a factor not taken into account in the comparison system.

Because his plant was in a dangerous neighborhood, the Philadelphia manager carried four guards on the payroll. Boston needed no guard. Buffalo had six, but these were paid on invoice to a plant protection agency, rather than being on the payroll and affecting the pounds-per-man-hour rating.

Philadelphia required fewer overtime hours because of a more realistic scheduling of shifts. Full credit was not given for this economy as only hours and not money (at time-and-a-half overtime) were reckoned.

Also, Philadelphia suffered unfairly in comparison on the production line. With an eye for quality, the manager rejected broken, discolored and poorly wrapped products. Boston counted everything, and accounted for faulty goods in a "sales return" category kept out of production figures. Buffalo removed damaged goods, but counted such items in the original output and again when reprocessed.

Staying on the fairway

When management allows for the diverse factors which represent the true picture of an operation, competent judgment can be based on hard facts which constitute a reliable standard. The built-in guesswork of a loose, uncritical comparison is eliminated.

When management can scrutinize all details characteristic of an operation, it can pinpoint weak areas for correction, rather than assuming something may be wrong, without knowing what it is.

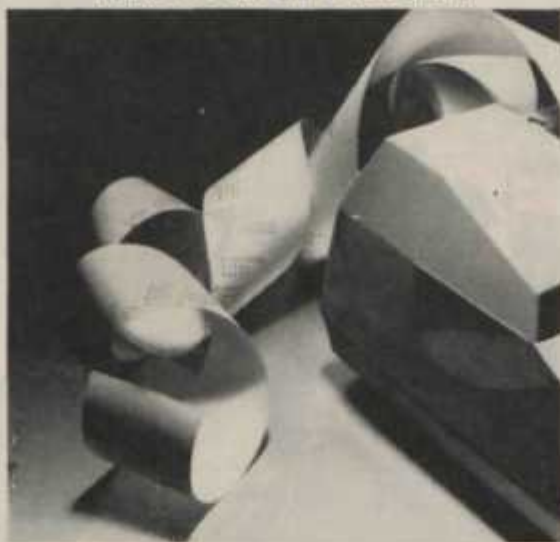
Management can then allow for variables, such as the old machinery in Philadelphia.

At all times management should be able to assess accurately the plus and minus condition of the three elements in any operating area: productivity, quality and service. A fourth, machine utilization, should be added when expensive equipment is involved.

When this sort of realistic appraisal is available, the executive in effect is measuring performance against a firm par figure for his organization and may be sure he is working with accurate, timely and reasonably foolproof information. **END**

ROBERT A. LULL, author of this article, is president of Brooks International Corp., management operating consultants.

THE SWISS HAVE INVENTED A SMART LITTLE PRINTING-CALCULATOR FOR THE MAN NOT IMPRESSED BY FLASHING LIGHTS AND FANCY PRICES.



Suddenly, a lot of spectacular things have happened to calculators. Light-up answers, square roots, floating decimals...

These are the electronic calculators. And they're wonderful. But your average businessman doesn't need to square root or float decimals or use algebraic logic too often! And usually he would prefer a printed answer for his records rather than a fast flash of lights.

Don't pay for more than you need. Instead, take a look at the new Swiss calculator specifically designed for the average business. It's NOT electronic, because the electronic extras are only wasted in most businesses. It's a regular calculator—but totally replanned. It concentrates on doing all the basic things, but in a far-above-basic way.

It's four machines in one—plus some. It's an efficient adding machine, an automatic multiplying machine, a calculating machine, and a machine that can accumulate grand totals! It can also square and credit balance; and has automatic error correction, memory storage and constants.

New inner works make it smaller, lighter! In fact, at 20 lbs. it's the lightest printing calculator in its class. That's because so many inside parts are designed to do two or three jobs. For example,

whereas most calculators have a multiplication wheel and a division wheel, the 167 has one wheel that does both jobs. (Of course, the electronic calculators are lighter, though not always smaller. But that's because they can't print. Most with printer attachments come clunkier!)

Each part is individually checked before it goes into the 167. None of the hazardous spot-checking the others get. Which is why Hermes has the confidence to give a one-year guarantee on all parts, including the electrical. And on labor as well! Which other calculator, electronic or otherwise, dare make that offer?

The fast thinking vs. fast-acting factor! No doubt about it, the electronic machines are the fastest thinkers. But before they can think, they have to be informed. This can take the operator quite some moments, because the design of the electronic keyboards is usually dictated by the machine, rather than the operator. So speed becomes relative. Now, the 167 keyboard was designed solely with the human hand in mind. Every key lies within the span of the average hand, so only the fingers need move. The hand is virtually at rest. This means less fatigue for the operator. Also, because of the logical lay-out of the keys, there is less chance of error.

And the 167 is mistake-proof! For example, if the operator tries to multiply two figures whose total would be too long to print, the 167 will not even start to work rather than give a partial answer. Find another machine that watchful! Also the 167 needs no program lever. Programming is automatic and eliminates the chance of error creeping in. And consider division. Other machines give the answer first and the remainder last—which often confuses hurried operators. The 167 always gives the answer last—where you would expect it to be. And of course, though a lights-up answer may be faster, remember the operator may copy it down wrong! Whereas the 167 writes it out for you...and gives you detailed workings that you can keep.

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The government's top transportation man is the type who runs up escalators

PHOTO: KOICHI SHIMOTO

John Volpe's Drive to Keep America Moving

The Secretary of Transportation is constantly on the go in behalf of "balance" among autos, buses, trains, planes and shipping

The three-year-old Department of Transportation has been likened to the brash new kid on the block: highly visible and easy to dislike.

"I'll admit we're highly visible," says John A. Volpe, the second man to serve as Secretary of Transportation, "and I'll concede that transportation has not kept up with the times."

A what-are-you-going-to-do-about-it chorus comes from the choleric commuter caught in rush hour traffic, the frustrated businessman bogged down at an overwhelmed airport, the ghetto worker trying to get to a suburban job via an outmoded city transit system, and the nostalgic soul who yearns for the heyday of the passenger train.

"Intermodal transportation, that's the answer," snaps the feisty Mr. Volpe. "Modes of transportation that are interdependent. A total balanced transportation system. You can't depend on the automobile alone anymore. You've got to get rid of the imbalance."

Many people have their own pet answers to the transportation question, so selling this idea of a balanced system is harder than it sounds.

To sell it, Mr. Volpe jets continually over the country, pushing this campaign as hard as he did the ones that three times put him in the Governor's chair in Massachusetts; showing the same drive that took him from hod carrier to owner of a huge construction company.

"You've got to make the people realize what's at stake," he says. "You've got to get them behind you."

At stake for mobile America is the continuation of that happy circumstance of getting where it wants to go, when it wants to.

"Transportation has to receive from the people the same commitment they give to education," Mr. Volpe exclaims. "You're really talking about people—people who have to be able to move safely, to get to work, to produce and sell."

And he believes that after a year in office he has a head start now on whipping problems whose scope is shown by the torrent of statistics he quotes.

In 1969, the restless American drove more than a trillion miles, in 107.4 million motor vehicles, over the one linear mile of pavement his country now has for every square mile of land. And he flew 66 million more seat miles per day on commercial air carriers and 4,000 more hours each day in general aviation than he did the year before. Not to mention the mileage he piled up on buses, trains and shipping of all description, all now covered in part by Transportation agencies.

The good with the bad

What particularly makes Secretary Volpe optimistic is the progress in Congress on two bills he considers essential. One, now in the final passage stage, is a 10-year, \$15 billion plan to improve the nation's airports and air traffic systems; the other, a 12-year, \$10 billion program to aid urban public transit, has won Senate approval.

"The President was making a trip on Air Force One when I called to tell him the House had passed the airport bill, 337-6," Mr. Volpe chortles. "He

thought he had a bad connection. He couldn't believe the size of the vote."

If Mr. Volpe has had his moments of exhilaration so far, he's had his bad times, too. Such as the battle of the Everglades, or airplanes vs. alligators.

"I don't think I have spent as much time on any other single project," ruefully admits the Secretary about this squabble between conservationists and government officials over location of a new international airport for Miami.

"Alligators 26-0," is the way Washington wags put the outcome.

"Now, look," Mr. Volpe exclaims. "The President was dead serious when he talked about protecting our environment. And so am I. I can tell any city or state official looking for funds from us that no road or airport or transit system is going to be built that doesn't take the environment into consideration."

"I'm not one of those who believe we've raped the country by building roads. That just isn't so. But we can

pay more attention to trying to save this grove of trees, or this parkland. Maybe we weren't as careful before. But I hate to think of the paralysis that would have faced this country without the interstate highway system."

The 43,000-mile interstate grid, now nearing completion, is a prime example for Mr. Volpe of the worth of transportation—and of planning. He was involved personally in the interstate's planning as first federal highway administrator, under President Eisenhower, who okayed the project.

"That was the biggest public works project in world history," says Mr. Volpe. "And I don't think any of us ever realized just what it was going to mean to the economics of this country. I mean the way industry moved out to expand because now it had the roads to move its goods from the new, bigger sites."

Man on the move

Secretary of Transportation seems a natural title for Mr. Volpe, who says he turned down the first post President Nixon offered him (he won't say what it was). He's a man on the move, whether from one luncheon to another (he usually arrives just as coffee is served; his record is five luncheons in a day) or from one goal to another.

The 61-year-old son of an Italian immigrant, Mr. Volpe is a self-made man who drives himself and is impatient with nondrivers.

He can kid himself, as he does about his height ("the reason I'm short is because I started as a hod carrier and that hod was heavy") but his visible public image is that of intense seriousness.

Mr. Volpe didn't exactly start at the bottom in seeking elective office. His first try—he won—was for the Governorship. He had made a huge success out of a construction company he started during the Depression, and had served as the appointed public works commissioner of Massachusetts.

His three terms as Governor were not successive. He was defeated once.

"I got beaten because I lost one vote out of every precinct," he explains. "I should have worked hard-



Mr. Volpe discusses the future of air cargo during a visit to the Lockheed Aircraft Corp. plant in Marietta, Ga. The models depict phases of aviation history.

John Volpe's Drive to Keep America Moving *continued*

er. I guess I overlooked some details."

To make sure he doesn't overlook any details in his current job, Mr. Volpe lugs as many as five briefcases home to Washington's "White House Annex," the Watergate Apartments, where many in the Nixon Administration live. (It helps, he says, that he and Mrs. Volpe prefer a quiet home life to the big social bashes of the capital.)

And when he's on a trip, which is three or four times a month, he takes with him big "briefing books" about every city, every state into which he's going—and what his Department is doing there.

"The briefing books are the bible," explains an aide. "He absorbs facts. And he doesn't want to be wrong."

Keeping himself going

Secretary Volpe will bone up on the smallest detail, frequently sipping his favorite energy-builder, hot tea and honey. He's a weight watcher, who eats lightly and considers a graham cracker a big snack. He's also a physical health bug.

"Every minute I give to exercise I figure gives me that much more time to devote to my job." He goes at it with a vengeance: Up at 6:30 a.m. and onto his special exercise bicycle, then maybe a bit of shadow boxing.

One thing he likes about the new building in Southwest Washington his Department is moving into is that it is big enough for him to lay out a jogging track on the roof.

As does any executive who has a pell-mell pace, the Secretary has his own recipe for relaxation: "I take a hot whirlpool bath at night and I sleep like a baby. I take a cold whirlpool bath in the morning and I'm ready to roll."

To make sure he's ready to roll on the road as well as at home, he carries with him everywhere a 28-pound whirlpool unit that attaches to any hotel or motel tub.

Mr. Volpe feels his trips across the country can make a major contribution to the transportation success story he hopes will be written during the Nixon Administration.

"You know the federal government only assists cities and states," he says. "The local units of government have to contribute their share and they



The time to avoid a transportation crisis is now. This is a continuing theme at every press conference in every city the Secretary visits.

have to initiate the requests for help in financing the programs they want. What I hope to do is make people realize they have to think 'total transportation,' not just an immediate road or airport or some new buses."

He adds pointedly: "Any city of over a half-million in this country has a transportation problem. It had better look ahead."

Can't win 'em all

A tireless campaigner for President Nixon, Mr. Volpe feels the President has shown a deep appreciation for the role of transportation.

"He'll listen to any argument you make," the Secretary says. He won't deny that he's made his share of arguments.

"Of course," he says of one he lost, "I thought I had a really tight budget when I submitted it, but the President came back and told me to take out another \$125 million."

For fiscal 1971, Transportation has asked for new spending authority of \$11.2 billion, a 42 percent increase over fiscal 1970, including \$2.9 billion to finance expanded grants for urban transportation. It doesn't expect to spend this much in the 12 months starting next July, however. Actual outlays are expected to be \$7 billion to finance programs as diverse as building a new ice cutter for the Coast Guard and highway beautification.

The Department of Transportation

was created three years ago by President Johnson, pulling together a number of independent agencies and transferring some outfits involved with transportation from other Cabinet departments.

One of these was the Coast Guard, moved over from Treasury. That the newest Cabinet office suddenly had Coast Guard air transportation available for official trips is still a tender spot at old line departments. Their Secretaries (excluding Defense) travel mostly by commercial plane.

"I think I've got everybody in the Department thinking total transportation now," says the Secretary. "Not just aviation or highways or railroads." (His Department oversees the Alaskan railway and two other federally owned railroads.)

Much of the Secretary's first year was spent formulating what could be called a transportation policy.

"I think it was easier for me than it would have been for anyone else," he says without egotism. "After all, I had the background. I was the first federal highway administrator and was public works commissioner for Massachusetts. As Governor, I dealt with the problems of aviation and shipping, too."

Safety first

Mr. Volpe says his first priority on taking office was "safety—air safety, automobile safety."

"I think I soon discovered that

urban transportation was right up there, but safety was first."

His Department oversees the Motor Vehicle Safety Act and has decreed that a long list of items such as safety shoulder straps and head rests must be standard on new automobiles.

"We're going to save 10,000 lives a year when the air bag and collapsible bumper are perfected," he says.

The air bag is an experimental device that would activate huge rubber balloons on impact, so that the driver would be cushioned. Mr. Volpe recently announced that the auto industry will be required to begin using it in 1972.

The collapsible bumper is another impact device designed to cut down injuries or deaths.

"We're going to have to reduce the number of people killed every year—55,000," Mr. Volpe says.

Not all safety ideas advanced by his Department have met with wholehearted acclaim and some have been ridiculed.

"You have to do what you think is right," he says.

And that's why he feels cities must look to rapid transit, despite the voter unhappiness caused by proposals for bond issues to raise matching local money.

He'd rather switch?

"When you talk about rapid transit," Mr. Volpe says, "it doesn't mean rail exclusively. Maybe express buses will do the job—special bus lanes up freeway median strips. If a guy driving bumper to bumper at 10 miles an hour sees a bus going by at 60, maybe he'll figure it's smarter to switch."

"I've learned this—as a businessman, a Governor and now as a Cabinet officer. A city which doesn't develop a means to move large numbers of people effectively and efficiently from where they are to where they want to go is a city of obsolescence."

"I told the National Automobile Dealers Association they didn't have to worry about selling cars if their cities got rapid transit. If some of these cities don't look ahead, the people won't be able to get to the showrooms to buy cars, anyway."

As Mr. Volpe, comfortable in a rumpled red sweater and busy editing speeches with a big, felt-tipped pen,

flies around the country in a Coast Guard jet, he is conscious of area-by-area differences of opinion on transportation needs.

For many parts of the country, motor transport is the only mode.

In metropolitan areas, there is agonizing over mass transportation (the Secretary notes glumly that 235 local transit systems went out of business in the last few years).

There is tremendous competition for funds—for roads, airports, buses, high speed transit on rails.

Secretary Volpe sees as the great hope for rapid mass transit the tracked air cushion vehicle, capable of any necessary speed up to as much as 250 miles an hour.

"It's coming, and it will be a success," he predicts. To back up the theory, the Department is going to build a 20-mile test track at Pueblo, Colo.

Rapid transit also is good medicine for social ills, the Secretary thinks.

"If you can move people from the inner city to the outlying areas where the jobs are, you can't help but solve some of these social problems. And if you can move people from the suburbs into the city, you can solve some of the problems of the city decaying as a center of commerce."

There is nothing like a bustling downtown to get Mr. Volpe's adrenaline pumping. He'll mentally size up the problems any building under construction will give the builder. And the costs.

Watching a tower go up in Atlanta, he ruefully remarked: "And just think he [the builder] doesn't have to figure in snow stoppages."

Past, present and future

Mr. Volpe sold all his interest in his construction business to a brother on being confirmed to the Cabinet. Several of his projects were under way in Washington when he walked into the room where a Senate committee was considering his nomination. The signs all read, "John A. Volpe Construction Co."

By the time he walked out, his workmen had done a rush paint job on their own. The signs all said: "Volpe Construction Co."

Mr. Volpe has been touted as a possible Senate race opponent against

Democrat Edward M. Kennedy. He scoffs at this suggestion.

"Sure, I've heard those stories. But I am not a candidate for any elective office. Period."

This hasn't, however, dimmed his enthusiasm for Republican politics. He's always willing to duck in on a G.O.P. meeting wherever and whenever he can. One reason is that he genuinely enjoys political meetings, especially the mingling with people.

"I can go like 60 for a week or 10 days, but then I have to have a long weekend," he explains.

When he gets a chance, he likes to lie in the sun on a beach and every once in a while get in a hand of bridge. A devout Catholic, he goes to mass every day, wherever he is.

As every Administration official does, Mr. Volpe knows there is a time limit on his Washington years. He keeps it in mind.

"We've got to double our transportation capacity in the next 20 years," he says. "Think of that. In 20 years we've got to match all of history. When I get through, I'd like to feel I have developed a balanced transportation system. America is going to grow, we know that. But the way it grows is what's important. And transportation will determine in a big way where we are at the end of the decade."



When Secretary Volpe left Washington recently on one of his trips in pursuit of support for "balanced" transportation, Nation's Business went along with a camera. See following pages.



John Volpe's Drive to Keep America Moving

continued

Almost as soon as the wheels are up on his Coast Guard jet, Secretary Volpe goes to work editing and rewriting a speech he'll give in a couple of hours in Kansas City, Mo. It's a regular pattern he follows on his numerous across-the-country trips to sell his transportation concepts.

At the Georgia plant where the giant C5-A military air freighter is made, Mr. Volpe questions Lockheed officials about the potential of a civilian cargo version. On any trip, he squeezes in as many meetings as he can on the total transportation scene.





... and goodbyes to local officials before leaving for the next stop. On this 32-hour trip, Mr. Volpe spoke twice in Kansas City, four times in Atlanta, and once each in Pine Mountain and Marietta, Ga. He also held three press conferences.

Mr. Volpe told *Central Atlanta Progress, Inc.*, that no city can depend solely on a single mode of transportation—"It has to be a mix." After the speech, as there always are, there were greetings ...



John Volpe's Drive to Keep America Moving

continued

The Secretary constantly urges civic and business leaders to unite behind transit systems that will adequately move people to and from the city. Without such systems, he warns in speeches such as the one in Kansas City above and TV press parleys such as the one in Atlanta at right, "the city is heading for obsolescence."



At Pine Mountain, Ga., relaxing with travel companions before another appearance, Mr. Volpe watches himself on TV. The show was taped earlier in Atlan



No matter where he is, the Secretary attends mass every day (here he's at Sacred Heart Catholic Church in Atlanta). He can count on one hand the times he has missed mass in the past 30 years.

END



Opening Doors to Opportunity

Rev. Leon H. Sullivan is scoring victory after victory in campaigns to bring the underprivileged more profitably into the profit system



Dr. Leon Sullivan in front of a new supermarket, the latest of his many projects to bring Negroes into the mainstream of American economic life.

"For my people," says the Rev. Leon H. Sullivan, "I want ham and eggs on earth instead of milk and honey in heaven."

He has been working wonders in moving his people toward that goal. And more's to come.

Dr. Sullivan, a Negro, is the founder of Opportunities Industrialization Center, Inc., created in 1964 to provide job training to disadvantaged Philadelphia black people and to give them a crack at a variety of industrial jobs which had long been beyond their reach.

There are now some 90 OIC centers throughout the country, from Montgomery, Ala., to Seattle, Wash., and San Jose, Calif., to Roanoke, Va.

Last year alone, 20,000 men and women, generally untrained and unschooled, and mostly black, went through OIC training. They now hold jobs in a wide range of skills. Many would still be in menial jobs—or on welfare—except for this opportunity to better themselves.

It is estimated that these people, and others who have gone through OIC before them, have added \$40 million in new income to the national economy and, just as importantly,

have reduced by \$10 million the annual cost of welfare and other assistance to cities, states and the federal government.

Most men would be satisfied with such an accomplishment. Not Leon Sullivan, a product of extreme West Virginia poverty who thrives on setbacks and challenge. He told **NATION'S BUSINESS**:

"We now have about 35,000 people in OIC training around the country. My aim is 100,000 in a year and by 1980 I hope we will have trained two million in all."

Not so many years ago, if you mentioned Dr. Sullivan to a Philadelphia businessman, you were apt to be told you were talking about the city's No. 1 radical, out to destroy the free enterprise system.

Mention him today and you'll find he's been embraced by the Philadelphia business community for his contributions in the field of Negro employment.

Roar of the "Lion of Zion"

Dr. Sullivan's activities during the early Sixties were hardly of a kind to endear him to businessmen. The "Lion of Zion," as the hulking, six-foot-five-

inch pastor of Zion Baptist Church sometimes is called, decided to take on those he felt were denying decent jobs to Negroes.

At his request more than 400 Negro pastors called on their parishioners to stop buying from 29 Philadelphia firms accused of hiring bias.

Job opportunities opened.

Dr. Sullivan had made a name for himself but he soon realized he had won only a partial victory. Thousands of jobs were waiting to be filled in Philadelphia, but few of the city's 100,000 jobless—mostly Negroes—were equipped to fill them.

It was here that the OIC concept was born. Leon Sullivan was determined to train the people so they could take the jobs. A Philadelphia philanthropist donated a six-story building.

The city let Dr. Sullivan take over an abandoned, rat-infested jail. He prowled Philadelphia scrounging unused, unwanted equipment—tools, electronics gear, a computer, a whole chemistry lab.

Businessmen began to grasp the idea that this radical man of the cloth was not out to destroy the free enterprise system but to help his people en-



Carl Hairston, president of the "Our Market" food store, and Dr. Sullivan discuss the new Negro-owned enterprise.



Ben Sallard, a former General Electric executive, shows Dr. Sullivan a component made in a Negro-run aerospace plant.

joy some of its fruits. Dr. Sullivan said at the time:

"The benefits of the free enterprise system weren't filtering to my people. We were getting crumbs. I decided we should get some of the bread instead."

Almost from the outset OIC was a success. Contrary to what was said, there were men and women on welfare who wanted steady jobs instead of the dole. They came by the hundreds to sign up.

In the beginning, skeptical employers agreed to gamble on OIC trainees. After a while these same employers actually began asking for OIC workers. The word got around Philadelphia that it was good business to do business with Leon Sullivan.

The pressure that Dr. Sullivan was applying was black power all right, but not the type you generally imagine. He has pointed out many times:

"I say that black power without green power and brainpower is no power."

Finding their way

The kind of people who came to Dr. Sullivan's training center might have discouraged a lesser man. Some could not find their way on a bus or read or

write. He taught them reading and writing but called it communication and computation so they would not be ashamed. Men who had been lifting garbage cans found they could adapt to a lathe machine. Women domestics became skilled keypunch operators.

Racial tensions ebbed and flowed in the City of Brotherly Love, but Leon Sullivan kept urging: "Build, brother, build; not burn, baby, burn." More and more of his people trained and more and more of them got jobs. In Philadelphia alone almost 10,000 have been trained and placed in useful, rewarding employment.

Dr. Sullivan is not content to take on one project and rest on his laurels. Rest is not in his lexicon and the 47-year-old pastor is constantly on the search for new ways to uplift his race.

At about the time the OIC program was catching hold, Dr. Sullivan decided to take another bold step, this one into the world of business investment. To his 5,000 parishioners one Sunday he announced the start of the 10-36 Plan. He asked for 50 members of the congregation each to put up \$10 a month for 36 months—about the price of a good television set—to

launch an investment cooperative program.

"At that time there was not a single apartment building of any size, worthy of the name, which was owned by black people in all Philadelphia," he recalls.

There also was not a single shopping center, factory or bank developed or owned by Negroes.

Instead of 50 volunteers Dr. Sullivan got 200. That was in 1962. By 1965 there were 400 participants. Today, there are 6,000, including outside contributors.

In 1964, the 10-36 Plan bought a \$75,000 apartment building. A year later ground was broken for a million-dollar garden apartment complex, the first of its kind and size developed and owned by black people in Philadelphia's history. There soon were 400 people on the waiting list to move in.

In 1967, work began on a \$2 million shopping center called Progress Plaza. It now has 10 stores owned by black entrepreneurs. Because the project was a gamble, and to give it stability, six large establishments were invited to "anchor" the \$1.3 million mortgage.

Two banks, a Bell Telephone office,

Opening Doors to Opportunity

Rev. Martin Luther King Jr. is shown
leading a group of people in a march
to open doors to opportunity for
all people.





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Businessmen will march on Washington, April 26, 27, 28, 1970, for the 58th Annual Meeting of the Chamber of Commerce of the United States.

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☐ Also—please send me hotel and ticket reservation forms.

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Opening Doors to Opportunity *continued*



Investors' checks to finance more Negro businesses get the personal attention of the "Lion of Zion."

a Marriott restaurant, a Florsheim shoe store and an A&P supermarket are doing business in Progress Plaza today.

All are managed by Negroes.

"When the A&P food store chain signed a million-dollar 20-year lease it was the largest agreement ever made with a black group in the history of America," according to Dr. Sullivan.

More progress at the plaza

Things were really happening. The Ford Foundation gave the Zion Non-profit Charitable Trust (as the 10-36 Plan was legally named) a \$400,000 grant to build an Entrepreneurial Training Center at Progress Plaza. Operating day and night, the school has turned out hundreds of black managers and entrepreneurs for Philadelphia.

Later, another Ford grant helped set up a National Economic Developmental Center which trains Afro-American economic developers for other cities around the country.

One spring day in 1968 Dr. Sullivan put in a phone call to Mark Morton, vice president and general manager of General Electric's huge Missile and Space Division at Valley Forge, Pa. He casually invited him to breakfast. The two men had come to know each other when the Negro pastor was scrounging around for equipment for his OIC operation.

Over coffee and toast Dr. Sullivan asked Mr. Morton: "What do you need to start an aerospace company?" The GE executive already was aware of his host's go-for-broke approach but this one took him slightly aback.

He said he would have an answer in a week.

At their next meeting Dr. Sullivan hung on every word as Mr. Morton spelled out the complexities of launching an aerospace firm from scratch. Finally, he asked, "But where do I get a guy to run it? And what must he know? Just give me the qualifications and I'll find the man."

Mr. Morton put his staff to work to draw up the qualifications that an aerospace company manager should possess. Among the staffers was Benjamin W. Sallard, 39, a highly-talented production manager with a promising career at GE. Mr. Sallard is a Negro.

Shortly after receiving the GE staff study, Dr. Sullivan invited Mr. Sallard to his home. The latter assumed the visit was necessary to clear up some points in the report. Dr. Sullivan peppered him with questions. Mr. Sallard was completely unaware that he actually was being interviewed to head up the nation's first black-managed aerospace company.

Not long afterward another of Leon Sullivan's dreams began to take shape and Progress Aerospace Enterprises, Inc., a maker of parts and components in the aerospace field, was established. True, it had no money, no plant, no equipment, and only one employee—Ben Sallard.

But Dr. Sullivan had been busy behind the scenes and soon this was corrected—with a \$2,575,000 contract from General Electric. GE's involvement was visible all over the place. As Mr. Morton was to say later:

"PAE must succeed; it's already taken a half-dozen of our best people,

and the ones Rev. Sullivan couldn't hire are working for PAE as consultants."

Soon there were other contracts, from Boeing, Philco-Ford, Westinghouse and the National Aeronautics and Space Administration. Another Sullivan enterprise had been successfully lifted off the launching pad.

Clothes-making, too

At about the time Dr. Sullivan was scurrying around to get PAE organized and productive he was engineering the birth of still another project, Progress Garment Manufacturing Enterprises.

Working closely with the International Ladies' Garment Workers Union and the Villager Corp., one of America's largest makers of women's garments, and with the help of the Singer Corp., he was able to announce in August, 1968, the opening of Philadelphia's first Negro-owned-and-operated garment factory. By the end of the year it was producing clothing, appropriately labeled "Ten Thirty-Six Fashions."

One of Progress Garment's major purchasers today is Sears Roebuck & Co. Of this arrangement Dr. Sullivan says:

"Mr. [Arthur] Wood, the president of Sears, has become one of my strongest supporters. He has taken a personal interest in what we are trying to accomplish and he has become a close friend."

Though perseverance and prayer have had a lot to do with Dr. Sullivan's successes, many of his ideas would have died aborning without funds. There have been grants from foundations and outright gifts of cash but, in the end, the federal government has put up the big money.

OIC's budget across the country amounted to \$23 million in 1969 with a substantial portion of this coming from the Office of Economic Opportunity and the Departments of Labor and Health, Education and Welfare.

To achieve Dr. Sullivan's goal of 100,000 trainees a year in OIC centers will, he says, require an outlay in the neighborhood of \$300 million. Dr. Sullivan is confident OIC, which is now being run by a professional staff but which still gets plenty of its founder's time, will receive the money. Ultimately, he thinks, OIC will become

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Opening Doors to Opportunity *continued*

the major component of technical training in this country.

From the taxpayer's standpoint the government's contribution to OIC manpower training is a sound investment. Dr. Sullivan can show that OIC will train a worker for \$1,300 on an average, or about one third what the federal government normally pays in this area.

Going national

As more and more centers began operations Dr. Sullivan realized he no longer could deal with the business community on a city by city basis. He would have to involve industry on a national scale.

The basic goals had not changed, however. People needed jobs, and industry and business needed workers. It was a question of putting the two ingredients together, but on a much grander scale.

"I decided, then, to organize a national advisory council composed of the top industrial leaders of America," Dr. Sullivan remembers. "And I set my sights at the very top."

He did not have to go far. The Scott Paper Co. is headquartered in nearby Chester, Pa., and there he put his proposition to Thomas McCabe, then chairman of the board.

"If anyone could reach the top executive industrial leadership it was Mr. McCabe," Dr. Sullivan wrote in his autobiography, "Build, Brother, Build."

Mr. McCabe agreed to help and soon was on the telephone calling his friends, some of the biggest names in American industry. The late Gerald Phillippe, board chairman of General Electric, would serve as chairman of OIC's National Industrial Advisory Council. Joining him were William M. Allen, president of Boeing; Joseph A. Dallas, vice president of Du Pont; John T. Dorrance, chairman of the board of the Campbell Soup Co., and many others.

In February, 1968, the council gathered in Philadelphia for its initial meeting. One newspaper called it "the most formidable and influential group of business leaders assembled in the recent history of Philadelphia, at one place at one time."

George Champion, former board chairman of the Chase Manhattan Bank and a strong supporter of OIC,

said: "This is the most extraordinary and exciting program I have ever seen. The business community of America must help it to succeed."

And J. Paul Austin, president of Coca-Cola, exclaimed, "It ought to be duplicated across America."

Afire with self-respect

President Lyndon Johnson toured the Philadelphia OIC facilities in June, 1967, and talked with many trainees. As he was leaving he said:

"What I have seen is not just a training program. I have seen men and women whose self-respect is beginning to burn inside them like a flame."

OIC, conceived as a means of helping Philadelphia's disadvantaged blacks, draws neither a geographical nor a color line today. Some 80 per cent of the trainees in San Jose, Calif., are Mexican-Americans. Sixty per cent of those in Roanoke, Va., are white.

Many Indians attend OIC training in Oklahoma City. A new center is planned in Kentucky's hill country for poor whites.

New jobs and new outlooks replace despair for most men and women who move through OIC training. One man's experience, although not typical, tells the story.

"He came into my basement office in the church one day," Dr. Sullivan recalls. "He was not long out of jail—15 years for grand larceny. He had tried to get a job but his prison record was against him. All he wanted from me was a handout."

"I gave him a dollar and said, 'This won't last you long. What you need is a job.' I encouraged him to try OIC."

"One of the biggest industries in Philadelphia took a chance on him after he completed his training as a machinist. That was more than three years ago. Today, he is a foreman and a respected man in the community."

Many other Americans have gained respect through Dr. Sullivan's efforts coupled with their own. And Dr. Sullivan hopes the story will be repeated among non-Americans, too.

He is trying to get similar job training programs for the unskilled started abroad, and already the governments of Kenya, Ethiopia, Algeria and the Dominican Republic have asked him to help them do so.

END

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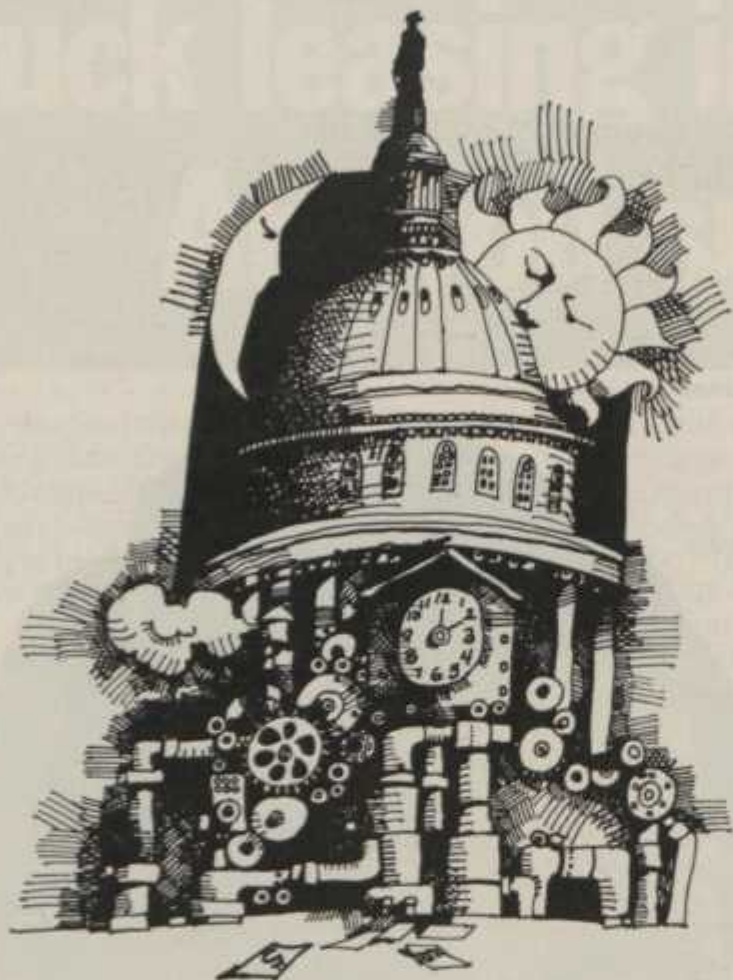
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Is the Government Year Outdated?



At one minute after midnight last Nov. 1 virtually every federal government department found itself forced to operate without legal authority to spend money.

It was not an unusual situation, and the government did not collapse, but it pointed up again the awkward character of operating the vast federal establishment on a fiscal rather than a calendar year basis.

For instance, the 1970 fiscal year began last July 1, but on that date not one of 13 major appropriation bills had cleared Congress and been signed into law by the President. Three months later, one third of the way into the new fiscal year, only two money bills had been enacted.

The only way to keep the government going is for Congress to pass stopgap resolutions authorizing day-to-day expenses. Sometimes, as happened last Nov. 1, this temporary authority runs out before another

temporary measure can be approved.

Bills regularly have been introduced in Congress to make the government's fiscal year coincide with the calendar year, but there is no great groundswell of support for the changeover.

The sticky situation about spending comes because of the way our legislative system works. Money seldom is actually appropriated for a program before it is authorized by the full Congress. This means, generally, that four committees—two legislative and two appropriating—must hold long, exhaustive hearings.

Long row to HEW

An example is the appropriation for the Department of Health, Education and Welfare. A House appropriations subcommittee held hearings on it for four months. Then it cleared the full committee, and then the full House and Senate.

The 1970 fiscal year was half over

before the measure reached the White House, only to be vetoed by the President. In January, another continuing resolution was necessary to provide funds for the agency's operation, pending changes in the bill to meet the President's objections.

More is at stake in a change from fiscal to calendar year than freeing the government from having to operate without legal spending authority or under stopgap resolutions.

The current system creates uncertainty for various planners across the country who are dependent upon federal funds. They have to know there actually will be money—and how much—before they can move.

College administrators must know how much they'll have in federal money for construction, scholarships, etc. Hospital officials must hold back on building or research plans. Badly needed housing must be postponed. There are many such examples.

The situation has been getting worse in recent years. This is how the 1963-69 scorecard reads on regular appropriation bills which did not become law before the beginning of the new fiscal year: 1963, 10 of 12; 1964, 12 of 12; 1965, 10 of 12; 1966, 10 of 12; 1967, 13 of 14, and 1969, 13 of 13.

However, many members of Congress object to switching from a fiscal to a calendar year basis. Some feel it would pose a problem every four or eight years, when a new President would be saddled with appropriations his predecessor wanted.

Rep. Robert H. Michel (R-Ill.), who currently is sponsoring a calendar year proposal, doesn't agree with the objectors.

"It is just ridiculous to be operating this way," he says. "If we ever thought of doing the same in our own businesses, we would be out of business before long."

In his view, the switchover would give more time for hearings, deliberation by committees and floor debate.

Whether the change is ever made, no one seriously thinks the government will go out of business even if there is a little time lag on spending authorizations.

Rep. Wayne Hays (D-Ohio) assured the House that President Nixon would never let the federal bureaucracy fall apart.

"What if he closed the government down and the people found out they could get along without it?" he quipped.

END

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For whom the bell tolls are too high.



The Great Welfare Debate

PHOTO: GEORGE TAYLOR



House Republican Leader Gerald Ford (Mich.), who is helping to spearhead the Nixon plan through Congress, sees it as a "handle" that will permit America to lift itself out of the welfare "rut."

The great welfare debate is building to a head in Congress.

At stake are sweeping proposals to revamp the basic structure of public relief for the first time since it was established—supposedly on a stopgap basis—in the depth of the Depression.

Battle lines are drawn over a guaranteed annual income, relief payments to supplement wages, federalization of the entire welfare system and compulsory work for relief recipients.

The confrontation is, generally, between those advocating a federally guaranteed income for all citizens, working or not, and those who feel that relief from the nation's massive relief woes lies in giving new or improved job skills to parents on welfare.

President Nixon's welfare recommendations were the catalyst.

While there is little quarrel with

his statement that "the present welfare system has failed us," his proposals have come under attack by some as inadequate and by others as excessively generous.

The Nixon plan would, for the first time, set a federal minimum welfare payment for families whose total incomes are below a level designated by the federal government.

Able-bodied adult welfare recipients who did not register for work or refused a job or training would be ineligible for federal assistance.

The President wants the federal government to finance minimum annual welfare payments of \$500 for each of the first two members of a family and \$300 for each additional member—\$1,600 for a family of four. States must supplement this so that no family receives less than its present welfare payments.

A family of four with a father al-

ready earning less than \$3,920 would receive a federal supplement to raise total income to that amount.

Each four-person family receiving aid would be entitled to nearly \$800 in food stamps a year, in addition to cash relief.

The legislation would provide increased payments to the elderly, the blind and the totally disabled, but there is no evident opposition to this.

Controversy focuses on the fastest growing category of welfare—Aid to Families With Dependent Children. Now, more than \$4 billion a year is spent on relief for 1.8 million families, —nearly seven million people—under AFDC.

President Nixon would scrap the AFDC category in favor of a "Family Assistance Plan" covering so-called "working poor" as well as families with no earned income. That would almost double the cost and add nearly



PHOTO: PAUL CORRELL—UPI

Pushing for a much broader program, Sen. Fred Harris (D.-Okla.) says the Administration's plan would mean states would have to close a gap between "an unrealistically low federal floor" and the "actual needs" of the poor.

three million families, with more than 12 million people, to the relief rolls.

The battle lines

The basic Nixon recommendations emerged relatively unchanged from the House Ways and Means Committee, setting the stage for an historic battle.

A wide variety of proposals for changes—higher payments, lower payments, no payments at all to workers, etc.—have been made by both Senators and Representatives. But the Nixon plan remains the central issue.

Much of the debating involves whether the federal government should make welfare payments to raise family income to a nationally uniform level, set without regard to individual situation or local conditions.

Rep. Gerald Ford of Michigan, the House Republican leader who has a

major role in the campaign for the Administration plan, sees it as "a handle that will enable America to lift itself out of the rut of welfare and to move ahead to a brighter day."

One of the various alignments on the other side of the debate is a liberal bloc being mobilized by Sen. Fred Harris (D.-Okla.). He has proposed a guaranteed annual income keyed to the official definition of the poverty level, now pegged at about \$3,600 a year for a family of four.

The Democratic Policy Council backs that figure. Sen. Harris argues the President's plan would saddle the states with the burden of "closing the gap between an unrealistically low federal floor and the actual needs of poor families."

The Democrats' proposal would add up to \$22 billion a year to federal welfare cases.

A number of members of Congress

applaud the President's work-or-train recommendation but question the major departure of welfare payments to employed heads of families.

Challenging that and other aspects of the Nixon plan, Rep. Al Ullman (D.-Ore.), a senior member of the Ways and Means Committee, told Administration officials: "You are opening up the treasury of the United States in a way it has never been opened up. . . . To me it is so completely open-ended it can only lead to disaster."

Other key figures in welfare legislation, such as Rep. John Byrnes (R.-Wisc.), ranking Republican on the Ways and Means Committee, are determined to make sure that, after several misfires, an effective program to move able-bodied recipients from welfare to work is put into operation.

The success of welfare reform will depend on the effectiveness of programs to rehabilitate and train welfare recipients so they can get jobs, Rep. Byrnes insists.

"That is the hardest part," he concedes. "The easiest part in the world is to get names and numbers and punch them into a computer to write out a check; except that is not the easiest part as far as the taxpayers are concerned, and it is not the best thing for the individual involved."

Who, not if

While there is substantial agreement that the able-bodied on welfare should be trained for jobs, there is argument over who should train them and the degree of compulsion.

All proposals make the obvious exemptions—the aged, the totally disabled, the sick, and children through high school level.

But there is disagreement about welfare families.

The Nixon plan would exempt mothers with preschool children. Other mothers would have to register for work or training. Sen. Harris would not require any mothers to register, but they could do so voluntarily.

Through an amendment made to the President's bill in the House Ways and Means Committee, working parents receiving welfare under the Family Assistance Plan would have to

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The Great Welfare Debate *continued*

register for a better job or take training for one.

The Administration concept of "compulsion to work" has struck a sympathetic chord among welfare critics fed up with the idea of paying able-bodied people who do nothing.

It jars other observers.

Under the proposed law, a welfare mother who refused to report for work or training would be denied payments. But her children would continue to receive aid.

Critics ask: How do you bypass the mother? There's talk about a trustee or other third party to handle the money to assure that the children receive shelter, food, clothing and other necessities but keep the mother from benefiting.

Any bypassing, these critics say, would lead to far more red tape expense than any money saved.

Compulsion is premature, they say, until all the able-bodied adults wanting to train and find jobs have been taken care of.

Hurry up and wait

Based on the experience of the present Work Incentive Plan for training welfare recipients, there will be far more volunteers for training than there are openings.

While the WIN program has fallen below expectations of its Congressional planners, the fault lies more in federal bureaucracy than in welfare recipients themselves, Congressmen and the White House now agree.

The program, established in 1967, called for welfare workers to refer clients, including mothers, to Labor Department employment offices which would arrange training.

But in actual practice, many welfare professionals were reluctant to refer clients. Employment offices, used to dealing with highly motivated, trained job applicants, often were at a loss in working with welfare recipients who not only lacked skills but had no experience in such elemental matters as setting an alarm to get up.

One effect of the Nixon plan would be to shunt aside the welfare workers as a judge of which relief recipients should have to work. Applicants for family aid would be registered before they qualified for relief payments.

A major issue raised in the debate in Congress is how welfare could develop into such an enormous financial and social problem simultaneously with the greatest economic boom in the nation's history.

The present program to help widows with youngsters was set up in 1935.

While the need for that type of aid lessened with the extension of Social Security to survivors, the family welfare program endured—and endured.

The growth of welfare occurred against the background of sweeping assumptions:



Key to a thriving welfare program, according to Rep. John W. Byrnes (R.-Wisc.), is training and rehabilitating welfare recipients so that they can be moved into useful employment.

Despite the fact that the working mother, widowed or not, has long been part of the American scene, the idea that welfare mothers should stay at home persisted as late as 1967, when the WIN program was set up.

A hand up, not a handout

But study after study has shown that most welfare recipients would prefer to work, and resent the role of mindless, ambitionless dependent.

The view that opening the welfare rolls to families with a jobless or low-paid father will halt desertions is a major theme in the proposals of Presi-



Rep. Al Ullman (D.-Oregon), member of the House Ways and Means Committee, insists extending payments to employed heads of families can only lead to financial disaster.

- Welfare mothers belonged in the home to care for what usually was a large family; and they had neither the desire nor ability to train for work.

- A major cause of the mushrooming relief rolls was fathers' desertion of their families so they could qualify for welfare. (Under a long-standing rule, no federally aided relief could go to a household with an employed male adult present.)

- Welfare recipients moved to states with higher benefits so they could get more relief.

dent Nixon, Sen. Harris and others.

But a Health, Education and Welfare Department survey offers striking evidence to counter the argument that even an unemployed father tends to leave home because he's decided his wife and children can do better on welfare without him.

In 1961, states were given an option of including families with unemployed fathers on the AFDC rolls under the "unemployed parent," or UP plan. This was the first federal move to deal with the problem of fathers'



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The Great Welfare Debate *continued*

abandoning families to qualify them for welfare.

By the time of the survey, in 1967, the UP concept had been adopted by 22 states.

The result? The desertion rate in the states that adopted the plan to keep fathers home rose from 16.1 per cent of AFDC families in 1961 to 17.3 per cent in 1967.

On the other hand, the rate in states that maintained the old rule of denying aid to a family with an unemployed father dropped from 22.1 per cent to 21.0 per cent.

New York, for example, had long had its own state-local plan for welfare to families with unemployed fathers and also adopted the UP plan for federal aid. From 1961 to 1967 its desertion rate skyrocketed from 19.1 per cent of the AFDC caseload to 31.6. But California, also a UP state, had a decline from 17.2 to 7.6.

The widely disparate experiences in the two states show the pitfalls in assuming that the chief reason for desertions by fathers is that they think the family would be better off on welfare.

HEW's survey concluded, resignedly: "There seems to be no ready explanation of why UP caseloads vary so much from state to state."

Other premises punctured

Studies likewise have shown that larger welfare benefits in one state have not necessarily attracted welfare families from states that pay less. A survey of Cook County, Ill., for example, showed that first-time applicants for relief had lived there a minimum of three years.

And New York City welfare officials have stated that no more than 2 per cent of their case load in a year could be attributed to people who had migrated there to get on welfare.

Another view held in some quarters is that most welfare families are black, swarming with children, headed by uneducated women totally unsuited for training.

The facts: The number of families on welfare is about evenly divided between black and white. Only half of those families have more than one or two children (and only 20 per cent have five or more).

Of the heads of those families, most

of whom are women, 70 per cent went through the eighth grade or beyond.

Of the 1.7 million families on AFDC, 70 per cent are in cities of 100,000 or more—where most job opportunities are. Survey after survey has shown that most welfare mothers prefer to work but have been thwarted by the welfare bureaucracy, lack of training opportunities, lack of day-care centers for children and lack of knowledge about job opportunities.

As that profile of welfare mothers comes into sharper focus, there is growing interest in applying vocational rehabilitation concepts to welfare.

Advocates of that approach see it as an effective middle ground between the welfare caseworker's idea that his clients are helpless children and the frequently encountered employment service preference for dealing only with experienced workers.

In Wood County, Wisc., the state Division of Vocational Rehabilitation staged a five-year experiment that produced amazingly successful results in getting people on welfare into jobs.

Involved was a saturation approach by vocational rehabilitation specialists offering a wide variety of services to the "handicapped"—those having "any physical, mental, educational or socio-economic deficit or inadequacy hindering employment."

For example, an Indian resident suffering from chronic stiffness of the hands had long been judged physically unfit for day-labor type jobs and had drawn \$8,500 in welfare for himself and his wife over six years.

A vocational rehabilitation specialist agreed the man was unable to handle heavy objects but said he was perfectly capable of using a welding torch. He was sent to Milwaukee for training, and now is earning more than the counselor who spotted his potential.

Miss Mary Switzer, retiring as the chief federal welfare administrator after 48 years in government service, summed it up recently when she looked back over the history of a relief program that has grown to cover more than 10 million Americans during periods of record economic boom: "I think we made the biggest mistake . . . when we didn't emphasize work."

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**We helped build America.
Now we keep it moving.**

Kendrick R. Wilson of Avco

Making corporate marriages work

One thing has led to another in the career of Kendrick R. Wilson Jr. and in the growth of Avco, the company of which he is chairman. It's obvious, though, that they didn't just happen. Mr. Wilson had a lot to do with making them happen.

He went into banking—after graduating from Phillips Exeter and Dartmouth—without a great deal of planning, he says.

But Avco's growth into widely diversified industrial gianthood took a great deal of planning.

Mr. Wilson, now 57, joined New York's U. S. Trust Co. before World War II, and came back from service as a naval lieutenant commander to go with Lehman Brothers in 1946. He handled some Avco financing while with that investment banking firm, joined Avco as vice president in 1950, then became financial vice president, a director and member of the executive committee. He became president in 1957, and in 1960 achieved his present rank of chairman.

Founded as The Aviation Corp. in 1929, Avco entered the Sixties primarily serving the government as a

supplier in the defense and space fields.

Under the leadership of Mr. Wilson and President James R. Kerr, it diversified into such growth areas as commercial manufacturing, personal finance, insurance, leisure time activity and land development, so that now civilian markets far outstrip its work for the government.

The planning for such diversification long preceded the company's first major acquisition in 1964. But growth came at a quickening pace as Avco moved from one hundred forty-fifth among the top 500 corporations to seventy-eighth in 1968 with some \$2.8 billion in assets.

Though reticent to talk about himself, Mr. Wilson in this interview with a NATION'S BUSINESS editor at the Avco office in New York City, enthusiastically discusses the progress, problems and outlook for his company.

Mr. Wilson, since you came to Avco by way of finance, would you start by telling us what prompted you to go into banking?

Well, at the time I was casting

around for the type of work I might go into, and some friends of my father's had been in banking and seemed to be eating pretty well. But at that time I had no particular knowledge of banking other than that I thought bankers were reasonably prosperous. I learned differently later.

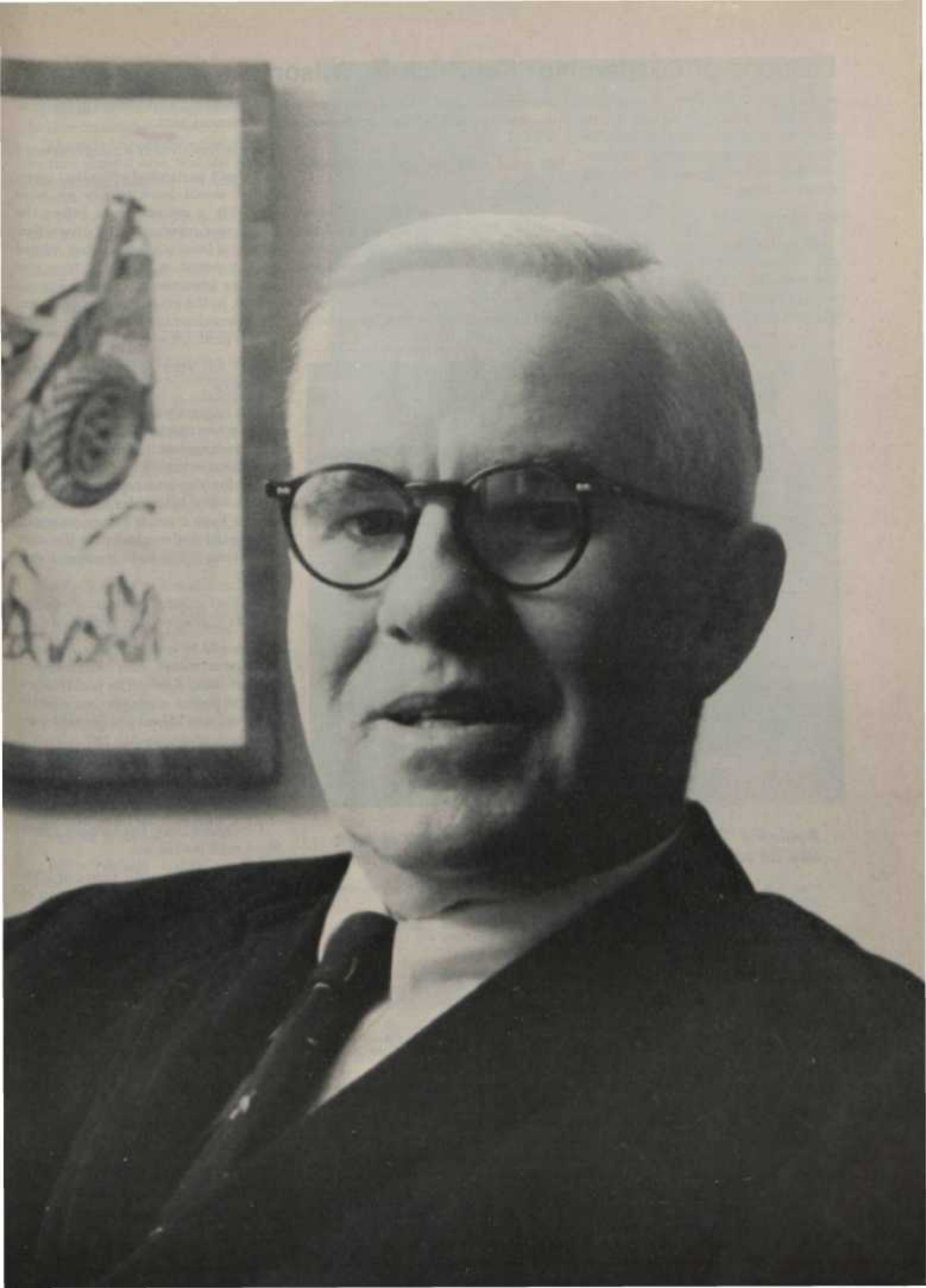
What interested you in Avco?

I had done several pieces of financing for Avco while I was at Lehman Brothers and became exposed to the management of Avco and to its scope of operations. When I was offered an opportunity to join Avco, I thought it was the right move to make. I think time has proved that out.

How would you describe Avco at the time you joined it?

In World War II, Avco had been a producer of defense products. At the time I joined, it had become primarily an appliance business with some diversification in other areas. It had a radio broadcasting company, with a small foothold in television, and it had a farm equipment company.

The Korean War was just getting



Lessons of Leadership: Kendrick R. Wilson *continued*

started then and there was a great buildup of defense business. By the time that died down and had been followed by the space program, we found ourselves primarily a government oriented company.

What proportion?

Oh, probably 75 or 80 per cent of our profits were from government business. Jim Kerr and I felt we wanted to shift the company around to greatly lessen dependence on

government. And I think we've more or less turned those percentages around.

At what point did you arrive at this policy?

I don't think you could pin down a specific date. It sort of evolved from numerous bull sessions and so forth.

In 1960 I was made chairman and Jim Kerr was made president. We tried to build up the nongovernment end of our business and cast around

for promising acquisitions in the non-government area.

Do you feel Avco is a conglomerate?

I don't particularly like that term, but I would have to say we were probably a conglomerate before the name was invented. Our diversification has been planned; it has moved with a reason, a rationale, from one existing business to another. For example, in the entertainment business, from broadcasting to Avco Embassy, a film producer.

Have all your acquisitions been friendly?

We haven't engaged in any takeovers where the management of a company was against it. There are enough situations where it makes a lot of sense for two companies to get together when both sides are willing.

You have a much better chance of having the deal succeed after the marriage than if you go in there and slug it out.

Has the general anticonglomerate climate in Washington been harmful?

It would be quite difficult for us to acquire or merge with companies in a great many fields. The fact that we are grouped as a conglomerate probably has not helped the market performance of our stock.

Aren't you on some list of 50 companies the Attorney General is supposed to carry around?

I've heard that, but he hasn't seen fit to mail me his list.

It's also said that the financial analysts don't know exactly what sort of specialist to send to assess Avco.

Well, unfortunately some of the time when farm equipment has been unpopular in the stock market we have been considered a farm equipment company. When aerospace has been unpopular, sometimes we have been considered an aerospace company.

We think it's too bad they don't always identify us by those parts of our business that happen to be doing best at the time.

What were your first big steps in diversification?

The first really major outside ac-



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quisition was Avco Delta Corp., in the latter part of '64. That gave us a foothold in financial services.

The next important move we made in that general area was the acquisition of the Paul Revere Life Insurance companies.

The largest and most important one since then was the acquisition of Seaboard Finance Co., which complemented extremely well the operations of Avco Delta in the consumer finance field.

What does Avco Embassy entail?

Leisure time is another whole area we have been very interested in. Our interest culminated in the acquisition of Avco Embassy—Embassy Pictures it was at the time. They are producers and distributors of motion picture films, and have a music subsidiary and a record producing company. We own no studios as such. We acquire film rights, a book or a play, and hire a director and sign up some of the principals.

What are some of the properties?

Well, there was "The Graduate," which I think is the third largest-grossing picture behind "Gone With the Wind" and "Sound of Music," and may ultimately pass both. In 1968 the Academy Award-winning picture "Lion in Winter" was released. We've just released "Generation," for which we have high hopes, and will soon be releasing "Sunflower" with Sophia Loren.

Mike Nichols is involved in Avco Embassy, is he not?

Mike Nichols, I think, will make three pictures for us. He, of course, was the director of "The Graduate." He is on our Avco Embassy board. We acquired a holding company he had, with an interest he held in a number of stage and screen properties.

The name of his company was Fri-waftt. It sounded sort of odd. I found out later that it means, "fools rush in where angels fear to tread."

Would you describe your activities in community development?

We have a new town in the San Diego region called Rancho Bernardo and are acquiring another called Laguna Niguel, on the coast between Los Angeles and San Diego. These communities are entirely new and will



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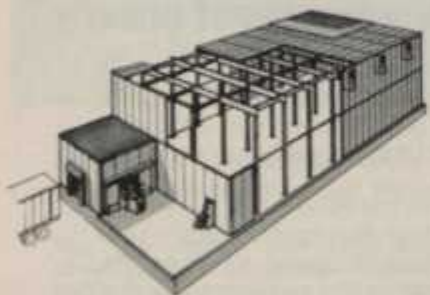
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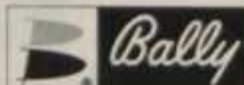


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Kendrick R. Wilson *continued*

ultimately have about 50,000 people each.

Do they include industry?

In the case of Rancho Bernardo, there is an industrial park of some 650 acres which will be devoted to light manufacturing. National Cash Register has a large plant there now. Garrett Corp. and Hewlett-Packard also are building plants.

Haven't you acquired Carte Blanche?

We initially acquired 51 per cent and have since acquired another 40 per cent; we have also acquired a travel agency called Cartan. We plan in the future to be able to provide complete travel tours all over the world, through use of the Carte Blanche credit card.

In manufacturing, Avco is known for a strong capability in basic research. What has this led to?

A large volume of government business. The civilian fallout has been somewhat less than we hoped for, but we think we ultimately will get considerable fallout from those efforts.

An example is the boron fiber business in which we and one other company are the leading factors at the moment. We think that composite materials may be in great demand in applications where great strength-weight ratios are required, as in structural members of a new generation of aircraft.

What was the role of your research in development of gas turbines?

We were able to employ one of the pioneers of gas turbine developments in Germany. He and a number of associates joined up along with some U. S. scientists and engineers who were able to develop a new family of gas turbine engines which now power practically all the helicopters used by the armed forces.

We also have worked on industrial versions of these engines, not only for commercial helicopters but in other applications such as powering heavy earth-moving equipment, oil drilling rigs and specialized vehicles such as the hovercraft.

Once requirements for military uses are down, there will be a substantial market for them.

What has been your role in the space program?

Initially, we were best known for the job we did in helping solve the re-entry problem for the intercontinental missiles. The competence we gained there gave us a predominant position in developing heat shields for space vehicles.

How about air frame manufacture?

We are quite heavily engaged in major structural components for a large number of aircraft, including the air bus—though I guess they don't like to call it the air bus.

And bio-medical research?

We have done considerable work with heart assist devices. One of these is a balloon device which is inserted in the main artery of the heart. The balloon is inflated and deflated in the proper timing sequence and takes a great deal of strain off the heart during the critical 10 or 12 hours immediately following an attack.

They have had great success in clinical trials. In several cases, we feel the patient's life probably has been saved by this device. We think this is not too far away from rather general use.

What led you into this kind of work?

Our studies of gas dynamics and gas flow led to studies of the flow of liquids, which is closely related to the circulation of blood within the human being.

This particular device was the brainchild of Dr. Arthur Kantrowitz, head of our Everett [Mass.] laboratory. It was a question of having the right man with the right idea at the right place at the right time.

Had he been working for another company at the time, they might have developed it rather than Avco.

What is Avco Economic Systems and what got it going?

Well, Jim Kerr and I recognized perhaps earlier than some that business would have to help if many of the problems of the ghetto were to be solved. We took on the operation of two Job Corps training centers and trained 6,000 young women who were sort of borderline cases as to which way they might turn if they weren't given a lift at the right time.

We also undertook the establishment of a business. In the fall of '67,

the government indicated that it would like to see American business establish operations right in ghetto areas. We felt this made sense and certainly was worthy of a good try.

We selected the Roxbury district of Boston and a printing plant as the business we felt these people could be trained to operate. It was started by a small cadre of Avco people, training programs were set up, and the more promising people were picked out as management prospects and trained and promoted. It is now being run entirely by ghetto residents.

Didn't it start in a cigar factory?

At first, yes, but to give it a fair trial we elected to build a brand new, modern plant. We invested \$2 million in building and equipping it. And it was built entirely by local black contractors who had never undertaken a complete construction job.

Is it making a profit?

We are running at losses nearly double what we projected and the point of turning to a profitable operation is still several months away.

What are the other activities of Avco Economic Systems?

They have quite a varied span. It is operating a former Air Force base in Montana, trying to bring in enough industry to keep the local people employed; it operates a program in San Antonio, training Mexican-Americans for jobs in the construction trade.

Is the division supposed to be profitable?

We expect all of our divisions to be profitable, including this one. Initially, the general manager won't be held quite as accountable for profits as general managers in our well-established divisions.

Is it here to stay?

Very much so. It is not solely engaged in trying to solve the problems of some of the less fortunate citizens. It is also in the general area of trying to solve pollution problems, city planning and things like that.

We feel very strongly that American business has to take a role in the forefront of this battle against poverty. Particularly in our cities. We

view it as perhaps the most important crisis facing our country today.

I understand that you personally have been involved in a number of civic and philanthropic activities.

For some years I have been helping the National Foundation; I have worked on local community fund drives; I have worked on Junior Achievement and have also assisted B'nai B'rith in their fund-raising activities.

Some people seem to like fund-raising. I never particularly liked it much. But I think somebody has to do it and everybody should pitch in.

Do you have other corporate efforts along this line?

Well, a number of our divisions have had very intensive training programs. Our Lycoming division in Stratford, Conn., recently trained some 4,000 unskilled workers.

Low-cost housing is another example. We are just beginning to get our feet wet in sectional housing units and it is really too early to say how far we can go. But there is a

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Lessons of Leadership: Kendrick R. Wilson *continued*

crying need for low-cost housing and we think the modular concept of prefabricated dwellings may provide part of the answer.

Is this in any way an extension of your space or other technical capabilities?


Some of the lessons we learned in our space activities can be applied to solving this problem even though it seems pretty far removed.

It sort of boils down to use of the systems technique; examining all ends of a problem and trying to see the complete picture, and then feeding all this in and coming up with the answer.

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How about minority business subcontracting?

We try to bear that in mind in passing out subcontracts. With my serving on the President's Advisory Council on Minority Business Enterprise, we are very much aware of the problem and what has to be done.

What are the areas in which you see the greatest potential growth?

We see continuing growth in the aircraft engine business, where we are leaders in executive and utility aircraft. I think there will be continued growth in the general field of leisure and entertainment, where we are strongly represented with our radio, television and motion-picture producing operations.

We think there will be continued growth in the so-called community development area, and room for considerable expansion in the whole area of financial services.

What's the outlook for magnetohydrodynamics, this business of passing gas through a magnetic field to generate power?

That holds promise not only of reducing the costs of electricity generation but also of helping immensely in solving pollution problems. We can do the work of an atomic plant with considerably less thermal and atmospheric pollution.

We are at a point now where if somebody walked in with \$30 million we would be glad to build a pilot plant that could go on the line. It might not be economic in the first plant but it would give all the answers.

As you may know, Russia is building such a plant and Japan is about to start building one. Both countries have tremendous interest in MHD and have come a long way. Their scientists have visited our laboratory.

Where we go from here depends largely on how much financial backing is forthcoming. Some \$16 million has been expended on this program in the last 10 years—government money, utility industry money and a substantial amount of our own funds.

Do you plan to continue your policy of both internal growth and acquisition?

I would think the emphasis in the immediate future would be on in-

ternal growth rather than acquisitions, for a number of reasons. First of all, it is not as easy as it was sometime back to effect acquisitions. There are government hurdles as well as other hurdles that didn't exist before.

We have made a number of acquisitions in the last several years and we think a period of digestion or consolidation is in order. We have ample room for growth within the fields that we are now engaged in.

How do you manage something as spread out geographically and as diverse in terms of activity?

We have a rather small central management group. We believe in decentralization of authority, but at the same time in maintaining a control system geared to stop any trouble before it gets very far.

Jim Kerr spends a good part of his time on the road in direct contact with divisional managers and group executives. In the central office we have centralized financial controls, budgetary controls, legal activities, labor relations and over-all policy and planning.

We don't have centralized manufacturing or advertising, merchandising, sales or anything of that sort. We have such a diversified group of operations that we don't feel such a structure would make sense.

Do you have recreational pursuits, outside interests?

Well, I have some outside interests. That is, when I find time I try to pursue them. They include golf and sailing and trap shooting, to name a few. I am frank to admit that I only read what I feel I have to now.

I probably take more time for outside interests than some other people do, but it's never as much as I'd like. If you spend every waking hour on business, it probably is not good for you or the business. **END**

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BUSINESS A LOOK AHEAD

CONSTRUCTION

Experience gained through an innovative approach to school construction has application to such other facilities as hospital, office and industrial buildings.

So says Educational Facilities Laboratories, Inc., a nonprofit corporation established by the Ford Foundation to help school systems and colleges handle their construction problems.

The chief element of EFL's approach consists of assembling a market large

enough to encourage manufacturers of components and systems to experiment and tool up for production, using the latest technology to meet performance rather than materials standards.

Several projects have been developed, mainly in California but also elsewhere including Canada, with separate suppliers bidding to furnish components that will be compatible with those provided by others in the finished structures.

CREDIT AND FINANCE

The banking industry's long-term hopes for a less restrictive legislative climate have been given a big boost by President Nixon's decision to appoint a special commission to study financial institutions.

Industry observers had been warning that havoc would result from the House-passed holding company bill that would have prohibited or restricted banks' expansion into the areas of data processing, travel, leasing, accounting, mutual funds, insurance and other services.

But they feel that the President's action

should dim chances for the legislation's passing the Senate this year, and that the study should provide the basis for less severe restriction.

"Our expanding and increasingly complex economy must have financial institutions reflecting the vitality that comes from vigorous innovation and competition," the President said in his economic report earlier this year.

"Financial services required by tomorrow's economy will differ in as yet undefinable ways from those appropriate today."

FOREIGN TRADE

The Nixon Administration is forecasting a greatly expanded role for the Soviet Union in world trade.

Maritime Commissioner Helen Delich Bentley, in repeated public appearances, stresses that the Soviet merchant marine has risen from five million to 12 million tons since the Cuban missile crisis of 1962, continues growing at a rate of a million tons a year, and may reach 16.5 to 18 million tons by 1975.

The Russians seek not only export markets and direct access to sources of imports but also additional foreign exchange from so-called third-flag trade, as with ships shuttling between Japan and Canada without touching home port.

Drawing partly on data from Admiral

Thomas H. Moorer, Chief of Naval Operations, Mrs. Bentley observes that operations of the Soviet merchant fleet dovetail with Russian military policy:

"High-level Kremlin delegations visit with Indian and Pakistani policy-makers and planners, selling the proposition that the Soviet fleet would like to use Indian and Pakistani ports and explore the possibilities of a great and flourishing . . . trade, as they penetrate the vacuum of the strategically significant Indian Ocean."

Maritime Commission aides, noting that 94 per cent of this country's commerce abroad moves under foreign flags, add that Russia could harm U. S. industry by providing preferential shipping rates for competitive foreign exporters.

AGRICULTURE

Government researchers have developed a new variety of cold-resistant tangerine expected to fill a seasonal gap during which no major crop is brought to market.

Key to the tangerine's promise is its combination of cold-hardiness, plus a growing cycle permitting harvesting between Nov. 15 and mid-to-late December, just right for the prime holiday market season.

The fruit can withstand 32 degrees for

extended periods, 28 degrees for eight hours and 26 degrees for four hours during cold snaps. Equally important, the trees themselves can survive temperatures below 26 for extended periods.

The new variety, which may take four or five years to come into extended use, is the result of work headed by Dr. C. Jack Hearn, of the Agriculture Department's research station at Orlando, Fla.

MANUFACTURING

Long-range plans are being developed in Washington to spur business opportunities for our Spanish-speaking minorities.

A Cabinet committee is laying the groundwork for a program to get government business—General Services Administration and Defense Department contracts—for Spanish-speaking Americans who are in or en-

tering the light manufacturing field. In the job training area, the Cabinet committee is attempting to develop a national plan whereby training and other programs are adapted to the particular problems of Spanish-speaking groups, which vary widely in English language capability from one section of the country to another.

MARKETING

The number of food stores, which fell in the last decade, is expected to increase over the years ahead with a dramatic rise in the number of convenience stores.

These are outlets smaller than the customary chain supermarkets. They offer fewer items for selection and operate longer hours.

Government trend-watchers observe that many chains, particularly the regionals, are

entering the field or at least considering it. But patterns of operation vary.

In the case of some chains, the connection with the parent company is played down and the entire operation—merchandising, pricing and products—is different.

By contrast, the Ralph's chain on the West Coast places its convenience stores at the same location as its supermarkets.

NATURAL RESOURCES

Proposals to disperse population by creating new cities in underdeveloped areas and upgrading existing towns appear to enjoy increasing organized support.

Such proposals have been endorsed in some form or other by the Advisory Commission on Intergovernmental Relations (representing all levels of government), the National League of Cities and the National Association of Counties, as well as the American Institute of Planners.

Long before President Nixon focused on the idea in his State of the Union message, and a more recent report by a Presidential

task force, rural area development was a prime objective of the Agriculture Department. And the idea has gotten greater impetus from the concern over pollution.

"A projected urban population growth of nearly three million people annually, along with needed goods and services, can do enormous detriment to our water, land and air," notes Deputy Assistant Secretary of the Interior Orme Lewis Jr.

He says improvements in transportation and in power generation and water supply technology make more development of once-remote areas of the West far likelier.

TRANSPORTATION

Advent of the superjets, subject of much concern over readiness of facilities to handle passengers and cargo, is proving a boon to makers of ground-support equipment.

Air Transport Association of America systems experts have been getting numerous inquiries from potential suppliers. Says a spokesman: "Lots of manufacturers see this as potential pay dirt as far as new products are concerned."

The 747 has cargo capacity of 40,000 pounds, and, depending on individual airline practice, can take up to 28 specially designed containers.

The market also includes pallet loaders, pallet transporters and other forms of equipment. U. S. airlines will have to lay out some \$2 billion over the next four years for facilities and equipment required by the superjets.

How to Make Executives Behave

Ever make comments like these about any of your key executives?

- "I expect a certain amount of office politics, but Lee is a jungle fighter, with an instinct for the jugular. He comes to kill the other guy."
- "Williams thinks I'm dumb. Maybe I am. But why can't he keep his opinions to himself?"
- "Sure, there's some boozing at trade conventions. But when Jones goes to one, he's stoned all the time."
- "To me, there's nothing more disruptive around the office than a guy like Smith—an incurable girl-pincher."
- "It's a good thing, up to a point, to be friendly with the people who work for you. But Taylor eats with them, drinks with them, gossips with them—and knocks the president and the company to them."

Every perceptive top manager knows some of his key people are not perfect.

Even the best executive is only human. Furthermore, studies show neuroses often flourish in the high pressures of the executive suite.

When you see such undesirable behavior, you may well ask, "What am I going to do about it?"

Of course, some managers don't ask themselves that question.

At one extreme are executives who proclaim they never get involved in a personal problem ("I wouldn't touch it with a 10-foot pole!"). If a situation gets bad their response is to refer it to someone else, such as the company doctor or personnel man. In the military service, the C.O. used to say, "See the chaplain." And maybe chaplains for corporations would not be such a bad idea.

At the other extreme we find the do-it-yourself psychoanalysis men who are never so happy as when they are playing God, advising people about any and all personal hangups. This urge may denote that the manager has a bigger psychological problem than any of his employees.

The authors of this article are Dr. Mortimer R. Feinberg, president of BFS Psychological Associates, Inc., and acting chairman, psychology department, Baruch College, and John J. Tarrant, managing editor of BFS publications.



ILLUSTRATION: CHARLES A. DORN

However, for the reasonable, conscientious executive, key subordinates' personal problems pose some real dilemmas.

When to step in

The first may be stated this way: When should you get into the act?

You will never find the answer to that one by looking at the man himself. You must look at him in the context of his job and what that job means to the organization.

No matter how distasteful or distressing the individual's behavior may be to you, this alone is never sufficient reason to intervene. Indeed, to take action on such grounds is asking for trouble.

This is what your yardstick should be: Are the man's personal problems causing a discernible negative effect upon his work or that of others? If the answer is "Yes," then you have a right and a responsibility to act.



How can you measure the effect of his faults or foibles on his work? The standards may be broad, but they must be objective. For example, past performance, track record with other organizations, or reasonable expectations of achievement when he was first given his present assignment. And the damage should not only be visible to the manager, but demonstrable to the subordinate.

Behavior—stemming from personal problems—that damages performance may be manifested in many ways. Four of the most common:

- **Hostility**—The man lashes out at others for no apparent reason. People “can’t get along with him.” Meetings and conversation that should be routine become highly charged because of the individual’s excessive touchiness.
- **Indecisiveness**—He can’t make up his mind. He is never certain about anything. His mind is elsewhere; he has not absorbed the background facts. Or, his confidence is impaired; he is afraid to take a risk.
- **Inappropriate response**—He does the wrong thing. He gets drunk at meetings. He is lackadaisical at moments of crisis. He can’t seem to judge things in their proper proportions. He is unable to differentiate the important from the unimportant challenges, and thus ignores a critical challenge while overworking a petty detail.
- **Destructiveness**—He is destroying himself through promiscuity or alcohol. He tries to destroy others through indulgence in cut-throat politics. He tears down the organization and the people who work with him by irresponsible talk and, sometimes, action.

What steps to take

When you are convinced that you see harmful effects traceable to a man’s personal problems, you feel you must do something. What and how?

Certain cautions and limitations must be pointed out. “Knut Rockne-ism” will not work. The executive’s neurosis will not yield to your pep talks.

Take, for example, this episode in a company being served by BFS Associates. The marketing vice president had observed, with growing concern, the increasing lateness and liquidity of lunches consumed by one of his divisional sales managers.

He called the man in. In a stirring oration he decried the evils of alcohol, and exhorted his subordinate to think of what he was doing to himself, his family and the company.

The sales manager seemed deeply moved. An hour later (through some circumstance or other), he was observed—looking a little blurry—in a nearby cocktail lounge.

“God, he’s a sweet guy!” exclaimed the culprit. “Everything he said was so true. I almost cracked up right in his office. Sit down, let’s have another drink while we talk about my alcoholic problem.”

Remember, you are not a therapist. If a man seems in need of professional help, you may recommend that he seek it—but don’t attempt to provide it.

Discretion is of the utmost importance, if only because there may be legal angles. Managers who deal carelessly in personal problems may leave themselves or the company open to a lawsuit. It’s a good idea to check things out with your legal adviser.

When, observing all the cautions, you decide to help someone with a personal problem, these rules should improve your chance of success:

- ✓ *Don’t handle the matter indirectly, through memos, telephone calls or an interested third party.*

A face-to-face interview is called for. Every experienced manager knows the importance of privacy; the right time of day, neither too early nor too late; a suffi-



How to Make Executives Behave *continued*



cient period for a relaxed discussion, and absolute freedom from interruption.

When we are asked to suggest a time, we lean toward a period just before lunch.

✓ *Prepare for the interview carefully—and be businesslike.*

You are intervening because performance has been hurt. Marshal your facts beforehand.

Make your case objectively without, at first, bringing up the personal problem. Say, in effect:

"Hank, your work has fallen off." Or, "You don't seem to be able to get the needed cooperation from people." Cite evidence, the more measurable the better: Number of sales lost, per cent decrease in production, specific cases of alienation.

Then ask if he can suggest why. If possible, let him bring up his personal problem. In a surprising number of cases, he will. And he'll be relieved to talk to someone about it.

If he doesn't introduce the subject, you must. But don't moralize about it. Your interest is in one thing—restoring his effectiveness as an executive. His personal problem is discussed only as a barrier to his effectiveness.

One manager we know would say to a man: "It's not my business whether you spend your nights with booze, broads or the Bible. But when you come in here half dead, you can't perform. And that is my business."

Another manager told a skirt-chasing junior executive: "Your reputation is yours to destroy. But when it is damaged, so is your ability to represent this division."

Encourage him to come up with his own plan for overcoming his problem. Your role is to listen, guide, support. However, avoid probing for too many details. Remember, you are a manager, not a gossip columnist or psychiatrist.

In many cases, a meeting like this ends with a recommendation that the man seek professional guidance.

Arm yourself in advance with the names of several psychiatrists, clergymen or marriage counselors—more than one in each category.

The final choice should be the subordinate's, not yours.

✓ *Avoid the "sandwich" technique. This means, of course, a slice of critical comment between two slabs of praise.*

The boss calls in the subordinate, hands him a cigar, then tells him what a great job he's doing. Then, shifting gears, he continues: "But, Sam, while we all get a little edgy now and then, don't you think it would be better if you'd stop telling the other department heads to go to hell?"

Then, shifting back into amiability, a couple of jokes and the executive is sent on his way.

Squeamish bosses feel that the "sandwich" approach is a way to handle the situation tactfully. It isn't. At best, it leaves the subordinate confused. Sometimes he walks away feeling he has been applauded for his good performance.

✓ *Follow up by doing what you can—within reason—to assist the problem worker's efforts to cope with his difficulty.*

Don't thrust an unfair burden upon others in the organization by going to them and suggesting, pointedly, that they "give him a break." Rather, give them an example of patience, moderation and compassion.

If it is within your power to make some helpful administrative moves—a trip, a change in office location, a vacation—make the move; but not if it works a serious disadvantage on others. When the man with a problem is made everybody's burden, the project becomes a humiliating and self-defeating exercise.

Last but not least

Finally, there is another party who must always be considered—you.

Measure your involvement carefully. Your commitment is important. But we have seen managers take the first tentative steps—and then plunge head first.

To these executives, the rehabilitation project becomes a cause. The manager devotes to the problem worker a disproportionate amount of time and energy, to the detriment of his own performance and that of the others for whom he is responsible. Remember, the way to your own downfall may be paved by your good intentions.

Your objective as a manager is a maximum performance within the large context of the organization and the people in it. No single narrow concern should be subordinated to that goal. **END**

REPRINTS of "How to Make Executives Behave" may be obtained from *Nation's Business*, 1615 H St. N. W., Washington, D. C. 20006. Price: 1 to 49 copies, 35 cents each; 50 to 99, 30 cents each; 100 to 999, 17 cents each; 1,000 or more, 14 cents each. Please enclose remittance with order.



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THIS MONTH'S GUEST ECONOMIST

George P. Hitchings
Vice President
C.I.T. Financial Corp.



GROWTH VERSUS INFLATION

Economic growth is essential to provide employment and income for a growing population, and to improve living standards. Growth has been impressive in the past two decades. But what about the future?

From the beginning of 1960 to the beginning of 1970, the total economy grew by 50 per cent in real terms (exclusive of price inflation). For the preceding 10 years, growth was 45 per cent.

Total consumer buying power (which is measured by personal income after taxes) grew by the same 50 per cent as the economy in the 1960's. In the 1950's—in both cases the figures are adjusted for price changes—it grew slightly less than 40 per cent.

Part of the rise in consumer buying power provided for increased population and additional families. The number of families increased about 14 per cent in the 1960's and 15 per cent in the 1950's.

The largest part of growth, however, went into greater buying power and more purchases per family. Real buying power per family today is close to 33 per cent higher than a decade ago. The increase in the 1950's was somewhat less, but the combined growth over 20 years is almost 60 per cent.

Furthermore, this growth was achieved with only relatively mild upsets along the way. Why, then, are we concerned with the immediate and longer-run prospects for economic growth and stability? The answer is inflation which, if unchecked, could be a serious problem for the 1970's.

Inflation is not new to our economy. It is generated by major wars, as military demands press upon available resources, substantial deficits are incurred, and financing of these deficits builds up a large volume of liquid assets in the form of bank deposits and government securities.

Control of prices and wages and allocation of commodities and services help to hold down inflation during a war. Once it is over, there usually is at least a temporary inflationary period as business and consumers use excess liquid assets built up during the war to demand more goods and services than can be supplied immediately.

After World War II, inflation lasted until 1948, when availability of goods and services caught up with demand, except in new cars and housing.

It did not reappear until the Korean War. There was a sharp run-up of prices from mid-1950 into the first quarter of 1951, as business and consumers attempted to buy increased quantities in anticipation of later shortages and price increases.

The Korean War, however, did not divert resources on so large a scale as World War II did. Controls were imposed on prices and a system of priorities allocations was established on items needed for defense or defense-related activities. There was no general pinch, however, such as in later wars.

Nor was there a post-Korean inflation. Rather, there was a recession.

By 1956, there was a new type of inflationary pressure that came not so much from excess demand for goods and services as from rising costs,

particularly for labor. But the amount of inflation was not great, and it persisted only until early 1958.

For the next seven years, there was no inflation problem. Prices did drift upward, but by only 1 to 1½ per cent a year. Commodities rose less than 1 per cent a year, while prices of services went up about 2 per cent a year. Wage and fringe benefit packages generally stayed close to 3 per cent a year, and productivity improvements made it possible to pay most of them without raising prices.

This stable situation disappeared after 1965, and inflation became an increasing problem.

Since this time period coincides with the Viet Nam buildup, aren't we undergoing just another wartime inflation which will subside as we withdraw from the war?

The answer is no—this inflation has significant differences. Viet Nam is a factor, but not the only one. Federal government demands on the economy have been much smaller than even during the Korean War.

The increases in federal purchases out of the production from 1965 to 1968 accounted for only one fourth of the rise in total production for the economy.

The only supply problem relative to demand has been in skilled and experienced semiskilled labor. Increased demand for services such as medicine and education has pushed pay rates up in competition for labor supply. Collective bargaining settlements also have accelerated.

Added fuel to the inflationary fire was provided by lack of coordination in government fiscal and monetary policies. Much of this stemmed from serious underestimation of the spending requirements for Viet Nam, coupled with substantial increases in domestic programs. A large federal deficit was incurred in fiscal 1968, when other inflationary pressures also were building up.

By the time taxes were raised, monetary policy was eased in the belief that the economy was in danger of slowing down too rapidly. Unfortunately, the Federal Reserve Board, along with most other forecasters, failed to appreciate the fact that inflationary expectations of business management and investors had become so deep-rooted.

Business continued to increase spending for plant and equipment, despite lower operating rates. The

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GUEST ECONOMIST *continued*

explanation seemed to lie in a striving to offset rising labor costs and to buy now rather than to pay substantially more later. Businesses were willing to borrow even at high interest rates to obtain these cost savings and repay with expected cheaper dollars in the future.

Investors shared these inflationary expectations. Fixed dollar obligations became increasingly difficult to market, except at high enough yields to cover expected inflation. Increasingly, investors wanted to put money at least partly in equity investments.

Labor, meanwhile, built in increased demands under three-year contracts to protect against expected substantial continuing inflation.

Under these circumstances, it is essential to break this inflationary psychology before further acceleration occurs. The primary weapon at the moment, unfortunately, is to deny the money necessary to fuel the inflation. And it is impossible to do so for a long enough period to curb the rise in costs without slowing real growth.

Profits will be squeezed, though that alone will not be sufficient to stem inflation. Profits per unit produced by all nonfinancial corporations represent only 14 per cent of the product price, even on a before-tax basis. Unit profits are no higher today than in 1965 or even 1948.

No real progress can be made in the longer-run battle against inflation unless the rise in labor costs can be slowed.

Unit labor costs are nearly five times as large a factor as profits in the total product price of corporations. And they are now 16 per cent above the fourth quarter 1965 level and 54 per cent above 1948.

So the remedies may well be painful in the short run to business, labor, and the nation as a whole, with slower growth, less profit and—adequate training for jobs where there is more demand would help here—some rise in unemployment of the unskilled and inexperienced.

This is the penalty for having allowed inflation to get out of hand. We cannot return quickly to the happier days of substantial economic growth without inflation. We can, however, gradually cool inflation through determined efforts, laying a base for satisfactory longer-run growth again.



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Spacemen Find Business Can Be an Adventure, Too



NASA PHOTO



Alan Shepard is in a brokerage firm.



Frank Borman will become an executive.

Some of America's high-flying astronauts have given up the space capsule for the corporate front office and are settling into down-to-earth careers in business.

While the move from briefing room to board room might seem to be a giant step, the astronaut has been able to bring with him a quality essential in both worlds—leadership.

Astronauts are much sought after by industry for top echelon jobs and it is not unusual for them to be offered salaries high in the five figure range, as well as a share of ownership.

Money, though, is far from the only motive for making the move to business. Astronauts who have retired from the space program frequently cite, among other things, frustration they have felt over the necessarily long period between flights.

A typical attitude is expressed by Col. William A. Anders, who was on the Apollo 8 flight which circled the moon at Christmastime, 1968, and is now executive secretary of the National Aeronautics and Space Council in Washington:

"I didn't want to wait until 'Apollo 31' to get a chance for a moon landing."

Navy Capt. Walter M. Schirra, who is among the most outspoken of

the former spacemen and is now a highly successful business executive, puts it more facetiously: "There's nothing worse than a half-astronaut."

One famed astronaut who went into business has left it. Col. John H. Glenn, the first American to orbit the earth, was vice president for corporate development and a director of the Royal Crown Cola Co. before stepping down to seek the Democratic Senatorial nomination in Ohio.

A former spaceman in business now is Navy Comdr. Scott Carpenter, who formed Sea Sciences Corp. to deal with underwater problems. He became an aquanaut after leaving the space program and spent 30 days under the ocean surface as part of the Navy's SEALAB II project in 1965.

Apollo 8 astronaut Frank Borman is planning to retire from the space agency in July to join Dallas multimillionaire H. Ross Perot as vice president of Electronic Data Systems, Inc. He also will work with Mr. Perot to establish the American Horizons Foundation, whose aim will be to highlight pressing national problems and to encourage Americans to participate in trying to solve them.

Alan Shepard is managing to combine continuing activity in the space program with limited activity



Wally Schirra, one of the original astronauts, didn't expect to spend all his time as a businessman sitting at a desk and watching his stomach grow—and he doesn't. He's on the go constantly for Regency Investors, Inc.

in the business world. Astronaut Shepard, who pioneered in suborbital flight in 1961 and who now is scheduled to command the Apollo 14 lunar flight crew, last fall joined a new Los Angeles brokerage firm, Thomas, Power & Coogan, as a nonvoting partner—an activity that requires little of his time.

New challenges for Schirra

A NATION'S BUSINESS editor spent some time with Capt. Schirra to see how an astronaut makes the transition from spaceman to businessman. Capt. Schirra, president of Denver-based Regency Investors, Inc., says:

"I find my work very challenging. I certainly didn't expect to spend all my time sitting at board meetings with a big tummy and a watch chain across my vest, and it hasn't been that way."

Though he isn't streaking across the heavens any more, in one recent busy week he was in New York, Detroit, Denver, Los Angeles and Sidney, Australia. Like many active businessmen he devotes considerable personal time to outside civic activity.

Capt. Schirra traces his entry into the business arena to a Wyoming hunting trip in 1964 when he met John M. King, chairman of King

Resources, parent company of Regency Investors. (Mr. King also is chairman of The Colorado Corp., a complex of enterprises including the Regency group of companies.)

"He came down to Cape Kennedy for one of the Gemini shots the following year and we became good friends," Capt. Schirra recalls. "He seemed to like my way of thinking and I liked his. That's when he invited me to join the company."

Although the astronauts up to that time had been permitted to engage in limited business activity such as Capt. Shepard is now in, this kind of offer represented a more substantial involvement in an outside profit-making venture. It was a matter that had to be cleared with the National Aeronautics and Space Administration, and it was.

Wally Schirra joined the board of Imperial-American Resources Fund, Inc., a King subsidiary engaged in developing proven oil properties. Later, he went on the board of another subsidiary, Royal Resources Exploration, Inc. Capt. Schirra was 45 when he made his last flight, in October, 1968, as commander of Apollo 7. He had earlier flown Gemini and Mercury missions—the only astronaut to fly in all three manned phases of the space

program. After the tragic launching pad fire that killed three astronauts in January, 1967, he was assigned a major role in assuring that another such tragedy would not occur.

His last flight was the first manned space trip after the accident and he recalls today:

"It had to be a success or else the whole program might have folded. That's a very large load to carry. Then, when it was over, I got to the point of asking myself—where do I go from here?"

"I hadn't made up my mind whether to go into aerospace work, stay with NASA or what. And I knew it would be a long time before I would make another space flight. By now I had gotten to know the people at King Resources and they're a great bunch. It made my decision a lot easier."

Philosophical question

The former astronaut told an earlier interviewer other reasons why he decided against taking a position in the aerospace industry:

"The aerospace world hasn't yet settled into a reasonable format. I had some tempting offers. But the major contractors are trying to find their way in the space program. Some projects are supported, others dropped. There is no stability.

"And I didn't want to be identified with one aerospace philosophy, or a set of philosophies. With Regency, and with the entire John M. King complex, the senior executives cross all paths, in exploration and technology. The structure is looser."

Wally Schirra retired from the Navy and NASA in mid-summer of 1969, and was quickly swept up in the fast-paced operations of Regency Investors and The Colorado Corp. generally.

By this time he had resigned from the boards of Imperial-American and Royal Resources Exploration, but the parent organization, The Colorado Corp., was creating one subsidiary after another as it moved into aircraft leasing, land development and other activities.

Wally Schirra, who has a reputation for thinking fast on his feet, is well known for dashing off one-liners in response to almost anything. He obviously enjoys repeating this one to

Spacemen Find Business Can Be an Adventure, Too *continued*



Scott Carpenter, an aquanaut as well as an astronaut, has formed Sea Sciences Corp. to deal with underwater problems.

describe the sprawling, interwoven activities of The Colorado Corp. complex:

"I say it's a combination of natural resources and human resources under innovative management."

Capt. Schirra has many interests, but few transcend his ambition to play a larger role in improving the environment. Like all astronauts he has an acute appreciation of what is happening to Mother Earth. He explains:

"From earth to orbit, you've heard us astronauts say the view is fantastic. It's not the black in space we're talking about. It's earth we're talking about. If we can help get earth back on an even keel, fine. I don't mean reform earth. I just mean give it a chance to live, to breathe."

"The moon is not hospitable. Venus is not hospitable. Mars is not hospitable. We'd better do what we can to clean up earth, because this is where we're going to be."

The King organization is in the process of trying to establish a non-profit environmental control foundation which Capt. Schirra would head.

Wally Schirra is quick to point out he is not a do-gooder. But in talking with him you feel he sees in his life a

role larger than that of merely collecting material benefits.

He and John King talk often about the "high protein concept of feeding the world" and he believes his company may move into that area as well.

In as well as out

"One of John's philosophies that drew me to this complex is that whenever you develop something in a country you don't take all the profits out," Capt. Schirra points out. "You pump monies and know-how back in, build it up—bootstrap a country, as I would say it."

"With the input of oil and gas and mineral money we can afford high risk ventures. These programs must be put in the position where there is a chance for profit for the investor and the manufacturer. But helping undernourished nations feed themselves, even with our own leased equipment, is high risk."

Wally Schirra has not lost his sense of humor or his weakness for practical jokes. Millions of television viewers will not forget the Apollo flight in October, 1968, a short time before the Army-Navy gridiron classic, when Navyman Schirra held up

before the TV camera a sign reading, simply, "Beat Army!"

Capt. Schirra enjoys kidding with Dr. Edward R. Annis, president of The Denver Corp., another King enterprise, and former president of the American Medical Association. When they meet at headquarters in Denver the erstwhile astronaut usually will ask, "What the hell are you doing here, Doctor?" And Dr. Annis will reply, "What the hell are you doing here, Astronaut?"

One day, Capt. Schirra arrived in the outer office of the Regency board room, tossed his luggage on a secretary's desk, and pulled out a telephone. He dialed the number for the phone in the board room where he knew Regency Chairman David R. Kerr Jr. and Colorado Corp. President Keene Wolcott were meeting.

Talking and walking toward the board room he said, "Speak up, Dave, I can't hear you. . . ." He was in mid-sentence when a surprised Mr. Kerr glanced up from his phone to see the astronaut in the doorway, phone and briefcase in hand.

Wally Schirra continues to receive widespread exposure through the radio and television commercials he performs for the Association of American Railroads.

He has also appeared as a commentator on the Columbia Broadcasting System TV network during recent space shots.

Capt. Schirra is working out plans with CBS and the Smithsonian Institution to film a documentary in Africa to dramatize the need to save what is left of the earth's wildlife.

Besides his work with the King interests, he is on the boards of the First National Bank of Englewood, Colo., and of Precision Instrument Co., a West Coast firm.

He also finds time to serve as vice president of the Society of Experimental Test Pilots, on the board of the Detroit Institute of Technology, as chairman of the Colorado Cancer Crusade, and on the Winter Olympics Committee for 1976.

If you ask Wally Schirra what memory he cherishes most from his career as an astronaut, with its three space flights, he is apt to throw out another one-line quip:

"I lived through all three." **END**



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Your Right to Write



Sen. Robert P. Griffin says a mass of mail from average citizens helped him fight on against the nomination of Abe Fortas as U. S. Chief Justice.



Rep. Clement Zablocki hit the ceiling after a credit report goof caused a constituent to protest. He's backing a plan to forestall similar blunders.

When the Billings-J. Collins family of Milwaukee, Wisc., decided to buy a new car, they did what thousands of Americans do each day—asked their local bank for a loan.

Mr. Collins, a schoolteacher and father of six, kept a respectable credit rating. Neither he nor his wife, Rita, had large or unusual debts. For years they had been charging their purchases in Milwaukee stores, and had always paid their bills on time. In short, they were a good credit risk.

Yet within hours, their loan application was rejected! Rita Collins pressed bank officials for a reason; they refused to say why.

Stunned, but with Midwestern determination, Rita Collins attacked the mystery. At her request, a family

friend, whose employer subscribed to a credit-report service, looked up Mr. Collins's credit report and was appalled. The reason for their bank's refusal? Another man, a William Collins, had been sued by a truck line and unfavorable notice of his court action had been placed in the file of all William Collinses listed by the credit report company. Billings Collins was swept into this mass recording because he used the name "Bill."

Instead of allowing her indignation to sputter out and die once the mistake was corrected, Rita Collins went one step further. She decided to do something to prevent this type of costly credit-report blunder from hurting other families in the future. She sat down and exercised the

marvelous right of every American citizen: She wrote letters to Congressmen and visited their Washington offices.

Profoundly upset over the matter, Rep. Clement Zablocki (D.-Wisc.) immediately drafted legislation designed to reform practices of the nation's credit report companies from coast to coast. Sen. William Proxmire (D.-Wisc.) was moved to action. Hearings were held, and committee testimony solicited. Today, the Fair Credit Reporting bill is nearing enactment. And it's the direct, final outcome of letters—written by one housewife—to Congressmen.

The 35 million letters written each year to America's Senators and Representatives have impact beyond



It was only one letter among the many that Senators like Carl Curtis go through, but what an elderly Nebraska couple had to say prompted him to campaign for a major change in Medicare legislation. The campaign was successful.

imagination. They get results. Nowhere in history has a government been so finely tuned to the wishes of the governed as the U. S. is today.

Your letter can expose scandals, cause legislation to be passed, correct faults in existing laws and keep legislators in touch with the mood of the nation. "Without this flood of mail," says political scientist Dr. Stephen Horn, "Congress would be woefully uninformed."

Perhaps the most heavily publicized letters are those which uncover scandals. A March, 1968, letter to Sen. Proxmire, written by a Navy fuel inspector in Thailand, peeled the gold braid from one of the most flagrant cases of fraud ever perpetrated upon the American taxpayer. The inspect-

or, John McGee, angrily charged there were serious shortages in the delivery of expensive gasoline, high octane jet fuels and lubricants to American military bases in Southeast Asia.

After reading Mr. McGee's evidence, Sen. Proxmire asked the General Accounting Office to investigate. Results? The GAO discovered that more than five million gallons of oil and gasoline, paid for by American taxpayers, had never been delivered to American troops, but instead were diverted to the massive Southeast Asia black market. As a result of Sen. Proxmire's action, procedures were changed, and today American troops are receiving all the fuel paid for by the taxpayers.

A second category of mail comes

from constituents who rightly think of their Congressmen and Senators as "my men in Washington." Each day letters to Washington ask Senators and Congressmen to solve problems ranging from slow delivery of a Social Security check to mediating between a farmer and the Agriculture Department over an acreage allotment; from arranging for emergency passport service for a constituent to gaining equal treatment under the law for all children, adopted or natural.

So mammoth has the federal bureaucracy grown that some inequities take months to remedy. Such letters keep them from being ignored, however.

In the fall of 1966, for example, an elderly Nebraska man was struck by a heart attack. He was rushed by his wife to the nearest hospital for emergency treatment, soon recovered, and received a hospital bill for \$728.69. Local Medicare officials refused to pay the bill, claiming the hospital was not a participating member of the federal Medicare system. The elderly couple indignantly produced their copy of the government's pamphlet, "Your Medicare Handbook," and quoted this passage to the Medicare officials: "In an emergency, if you are taken to a hospital which is not participating, your hospital insurance will pay for covered services you receive until emergency services in the nonparticipating hospital are no longer necessary from a medical standpoint."

Higher officials upheld the local authorities. The government pamphlet was in error—and the law in fact did not cover nonparticipating hospitals.

Infuriated, the couple wrote a letter to Sen. Carl Curtis (R.-Neb.) in December, 1966, asking his assistance. For the next 11 months, Sen. Curtis plowed his way through statute, regulation and code to prove his point that the government's action constituted a "breach of faith" to America's elderly who contribute monthly to their Medicare insurance fund. He was successful. In January, 1968, the President signed into law Sen. Curtis's amendment establishing the right of any Medicare patient to receive reimbursed emergency treatment at the closest medical facility,

Your Right to Write *continued*



Rep. Catherine May of Washington pushed through a bill to relieve crew members of the U.S.S. Pueblo from back taxes after the father of one sailor wrote her a complaint. Mrs. May was shocked at an IRS ruling that the Korean dungeons in which the men were held were not considered an official "combat zone."

participating or nonparticipating. And within days, a check for \$728.69 was on its way to the elderly Nebraska couple.

Probably the most important letters of all to Congressmen are those telling how their constituents feel on the great issues of our time. During the early days of the controversy surrounding Lyndon Johnson's nomination of Abe Fortas to be Chief Justice of the United States and LBJ's old Texas sidekick, Homer Thornberry, to be an Associate Supreme Court Justice, Sen. Robert P. Griffin (R.-Mich.) rallied opposition to the lame duck President's making such important appointments.

Justice Fortas had powerful friends in the press and government. Sen. Griffin quickly found his position under attack by editorial writers in many newspapers. Washington's cocktail circuit was abuzz with conversation over the Senator's assault on the "Establishment." Most critics freely predicted Justice Fortas would be quickly confirmed by the Senate. Many wondered if Sen. Griffin was throwing a promising political future down the drain.

"There were times when I was dis-

couraged," Sen. Griffin admits today. "But gradually, as more Americans became aware of the intricate issues involved, letters of support began to pour into our office. Americans from all parts of the land wanted to indicate their support for my stand—and urge me to stand fast. In retrospect, I'm convinced this outpouring of mail was a great source of strength. It certainly reinforced my resolve to keep going."

A single well-reasoned letter often makes a difference on major issues. Rep. Catherine May (R.-Wash.) admits to "being stunned" to discover that the crewmen of the U.S.S. *Pueblo* were billed by the Internal Revenue Service for back taxes on the pay they received while they were prisoners in North Korea. The reason? Their North Korean dungeons were not an official "combat zone."

"Congress was not aware of this," Mrs. May relates, "until the father of one of the crew members wrote me protesting this serious federal injustice." On May 13, 1969—by unanimous consent—the House of Representatives enacted H. R. 8654 to provide tax relief to the captured crewmen.

The bill awaits action in the Senate, which is studying the possibility that such tax relief should be extended to other captured servicemen.

From World War II rationing repeal in November, 1945, to today's demand for budget cuts, an avalanche of mail to Congress has proven time and again to be an unstoppable force. It seems to sweep through Washington red tape, carrying voters' demands forward to reality.

Sen. George Murphy (R.-Calif.) credits a ground swell of public opinion—resulting in Congressional receipt of over a quarter-million letters from concerned Californians—as being instrumental in retention of his amendment which allowed California to set automobile air pollution standards higher than federal standards.

"Any American who writes to his government," says U. S. Treasury Secretary David M. Kennedy, "can be sure of a hearing. An outstanding example is the recent sweeping tax reform legislation, which reflects many of the suggestions made to us in a flood of letters from concerned citizens."

Numerous Congressmen will admit, either publicly or privately, that constituents' letters were decisive in enacting tax reform. "The avalanche of mail demanding an overhaul of America's antiquated tax structure led directly to the full-scale attack on tax rates and loopholes," says Rep. John Wold (R.-Wyo.).

Even the Chief Executive feels the effect of mass-response letters. In his May, 1969, message to Congress outlining new attacks on pornography in the mails, President Nixon said bluntly, "Mothers and fathers by the tens of thousands have written to the White House and the Congress. They resent these intrusions into their homes, and they are asking for federal assistance to protect their children against exposure to erotic publications."

The President went on to ask Congress to extend the existing law to enable a citizen to protect his home from any intrusion of sex-oriented advertising.



RANCO MAINTENANCE NEWS

NEW DEVELOPMENTS FOR PLANT MAINTENANCE



NEW ROOF SPRAY PROCESS REDUCES COSTS

Your own maintenance men can use Ranco Roof Spray Equipment **FREE** to waterproof weatherworn roofs permanently. The roof spray equipment pumps Ranco plastic sealant from drums on the ground and sprays it directly on your roof. The sealant forms a seamless, elastic shield that defies bitter cold and blistering heat; it stops leaks and restores pliability to old roof felt. Save contractor's costs, time and handling; our Ranco Roofing Engineers provide jobsite instruction. Check coupon for **FREE 48-page Ranco Roofing and Maintenance Catalog** which gives complete details.



FLOOR PATCH THAT REALLY WORKS

Magic Floor® repairs broken floors permanently under the most severe traffic conditions. Needs no drying time. Apply and roll with lift truck. Patch is permanent, regardless of the type of traffic. Check coupon for **FREE 2-Gallon Sample**, freight prepaid.



TOTAL WEED KILLER

Nevrgreen® effectively kills all types of vegetation for a period of one to three years. Use in parking areas, along rail sidings and other areas where vegetation is not desirable. Spread it dry by means of an applicator supplied, at no charge, on order for 1100 lbs. or more. Check coupon for **FREE 2-LB Sample**, freight prepaid.



ANCHOR BOLTS IN 30 MINUTES

Bolt Anchor® Sulfaset holds machinery fast to the floor under the most strenuous conditions. It is supplied as a dry powder to which water is added to form a liquid consistency, which is poured around the anchor bolts. Bolts hold firm under 45,100 lbs. pull after only 30-minute set; 110,000 lbs. pull after one hour. Check coupon for **FREE 2-Gallon Sample**.



EPOXY SEALS CONCRETE FLOORS

High solids epoxy sealer penetrates deeply into the most dense concrete floors to harden the surface and allow for easy cleaning and maintenance. Floors sealed with **P-249 Epoxy Sealer** do not dust or break down under the most severe abrasion. Dries overnight. Excellent for traffic aisles and wherever appearance is important. Order a trial 1-Gal. Quantity at \$11.45.



COLD CRACK FILLER

Flo-Joint® seals cracks in concrete and black-top and sets tack-free in one hour; will not pick up on truck wheels or shoes—even in hot weather. Check coupon for **FREE 2-Gallon Sample**, freight prepaid.

Please send the free samples and Catalog:

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Ranco Roofing & Maintenance Catalog | <input type="checkbox"/> Bolt Anchor |
| <input type="checkbox"/> Magic Floor | <input type="checkbox"/> Flo-Joint |
| <input type="checkbox"/> Nevrgreen | |

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Rochester...

photo capital of the world. Vital.
Flourishing. One of Lake Ontario's
busiest...a Phelps Dodge city
where it's all happening.

"Pipe it...don't broadcast it!" Increasingly, more voice, video and data transmissions are "piped" by wire and cable...leaving the overcrowded radio broadcast spectrum free for mobile communications. The continued growth of cable TV points to the day when much of our TV will be sent over coaxial cable. The network of telephone cables continues to grow. The country is fast becoming "wired for communications."

The PD Communication Company is making it happen. A leading manufacturer of telephone cable, they are also the originators of "FOAMFLEX", the foam-filled coax used in cable TV. Our SPIRAFIL II—the newest semiflexible air-dielectric coaxial—is also used for CATV trunks and in cable system replacements for microwave links.

Look around Rochester, and you will find hundreds of other Phelps Dodge copper and aluminum products at work...our low- and high-voltage power cable, electrical conduit, magnet wire...as well as copper and alloy condenser and heat exchanger tubes, gas, plumbing, air conditioning and refrigeration tubing. All our Phelps Dodge products are at work, serving America everywhere.

Under a proposed Administration bill, citizens who do not want to receive sex-oriented advertising may request the Post Office Department to stop delivering such material to their homes and return it to the sender. Smut dealers would be liable to civil and criminal penalties if they failed to put a return name and address on the envelope containing such material.

Making each letter count

Writing a letter to Washington, D. C., is easy, but to help make it count, follow these simple rules.

- Keep it short. Congressional office staffs are small. Your letter will get better attention if it is to the point.
- Address it correctly. All mail to Representatives should be addressed to House Office Building, Washington, D. C. 20515. Mail to Senators should be addressed to Senate Office Building, Washington, D. C. 20510.
- Be specific, be blunt, but don't be insulting. Insults help neither citizen nor government in the long run. Better to identify precisely the issue you're writing about (nearly 25,000 bills are introduced in Congress each year) and come directly to the point.
- Use your own language. Sen. Peter Dominick (R.-Colo.) tells his constituents, "One well reasoned letter, using your own words, your own thoughts, means more to me than a bucketful of form letters from high-powered pressure groups." Several hundred identically written letters produce a curious negative effect. Form letters, from necessity, may draw form replies.
- Write legibly. As anyone who has ever received an unintelligible letter can testify, wading through poor handwriting is a time-consuming chore. A typewriter isn't necessary—but clarity is.

Most important, when you write your letter, remember that nowhere else in the world today can one letter, written on plain paper, bring into play the immense forces that are at the disposal of you, the American citizen. Your power is greater than you think. Don't let it atrophy. Exercise it.—BRUCE BARR



moonlighting:

*(n) holding two jobs
at the same time.*

There's a new kind of moonlighting going on in communities all across the country.

Free moonlighting.

Volunteers who are using special talents and their time to help others.

People who are working through voluntary organizations to solve community problems.

If you have a special talent, or a few hours a week to spare for the common good—volunteer.

In most communities the chamber of commerce can direct you to the organization that can use your assistance.

Or, the chamber may have a moonlighting job for you.

Give it a try.



PETE PROGRESS

Speaking for the local chamber of commerce in your community

"Berg" Endresen jogs near his Riviera Beach, Fla., vacation home. A nongolfer (he once passed up a chance to play with Jack Nicklaus), he likes skiing, swimming and deep sea fishing (boats having a way of keeping a business deal audience intact).



PHOTO: FRANK SAKABING—BLACK STAR

DYNAMIC GROWTH COMPANIES: 3

American Avitron, Inc. An import boosts exports

Piloting American-built flying boats on antisubmarine missions during World War II, a young Norwegian who had fled his Nazi-occupied homeland foresaw the postwar potential of aviation and U. S. leadership in the field.

Today, at 48, he is an American citizen and head of an international company which is marketing aerospace components, making engine testing equipment and designing total systems to handle giant jets on the ground.

The achievements of Bergthor F. Endresen and American Avitron, Inc., tell a lot about the man and the surging industry in which his young firm has gained position.

Mr. Endresen set up a flight-training operation and manufacturers' distributorship in Norway after the war but came here in 1949, partly because of the opportunities and in part due to uncertainty over the then-rising communist threat to Europe.

He was taken with the American business style—with the first-name informality, and the welcoming of new ideas and of the people who had them. And he did have ideas.

Mr. Endresen recalls telling himself that America had "the damn best" in engineering know-how, manufacturing capability and financial resources, and that "there must be a tremendous future in military and civilian aircraft coming out of the

U. S." He also saw a fantastic gap in liaison between U. S. aviation manufacturers and overseas markets. He sought to fill that gap with a "central intelligence" marketing network which had three functions:

1. Pinpointing opportunities through an overseas staff alert to emerging hardware requirements that could be met by U. S. manufacturers.

2. Complete export services to handle shipping, customs and financial arrangements, which were a forbidding jungle to many in the industry.

3. After-sales support based on central warehousing of myriad components for fast shipment.

Mr. Endresen attributes much of



A member of Norway's World War II resistance movement, Mr. Endresen fled to Scotland in a fishing smack to join the Royal Norwegian Air Force. He flew U. S.-built planes, launching a life-long romance with American aviation.

Mr. Endresen discusses design of a loading system for the new generation of jets with Donald Smith, head of Avitron's systems division.

*continued on
next page*

PHOTO: LEO CREPLIN—BLACK STAR





Avitron is intensely proud of its "E" award for exports which Mr. Endresen received from President Nixon last year. The citation credits the company with having "dramatically increased export sales of aerospace systems and equipment through extensive travel, foreign language advertising, special training programs for representatives, expeditious delivery and continuing services."

his initial success to contacts with industry people arranged by the late Frank Tichenor, editor of the old *Aero Digest*, and the encouragement of the late Peter Hurst, founder of Aeroquip Corp.

He started as Amnor Aviation, Inc., in a two-room office at 52 Wall Street in New York; his first export order was for Aeroquip and brought a profit of \$67. A distributorship for AC spark plugs and a TRW division contract soon followed.

A pre-med student before the Nazi invasion changed his career outlook, Mr. Endresen had no engineering or business background.

During the early years, he was joined by Frederick B. Monsell, who had handled material acquisition for TWA, and Richard Williams, a former RAF wing commander who had gained wide exposure to the aircraft industry during wartime Washington duty.

The original organization was absorbed into Avitron, which Mr. Endresen co-founded with Carl Hov-

gard, founder and president of Research Institute of America.

Avitron represented two dozen manufacturers and had sales of nearly \$20 million last year when it won the "E" award for export excellence. President Nixon presented the award to Mr. Endresen with the comment that he represented the kind of import the country needs to boost exports.

The same night, a representative of the Export-Import Bank approached Mr. Endresen at a reception and said that he had top-level instructions to extend all possible cooperation; Avitron has since cranked Eximbank assistance into several pending proposals.

At his Rye, N. Y., plant recently, Mr. Endresen discussed efforts to find overseas markets for a Lear Siegler Corp. north-seeking gyro and its potential for civilian applications in mining, tunneling and offshore drilling.

He also discussed a would-be Avitron import: an airport landing beam consisting of a device emitting low-

intensity gamma rays said to be immune from the interference and distortion to which conventional systems are subject. (The beam was designed by the Norwegian government, an Avitron client.)

Vice President George Staley was in Europe trying to sell a new aircraft loading device already ordered by two American airlines.

And Donald Smith, head of a new systems division, was in the back shop where designing work was in progress on a giant "Tinker Toy" system of tubular structures to meet all ground support needs of the new jets.

Aerospace volume is heading down with defense cuts, but all forecasts point to growth in one area—exports. And Avitron expects that one day its own manufacturing business for domestic as well as foreign markets may well equal its volume of distribution for others.

"Our business has never been better," says "Berg" Endresen. "Avitron can't help but have an explosive growth pattern."

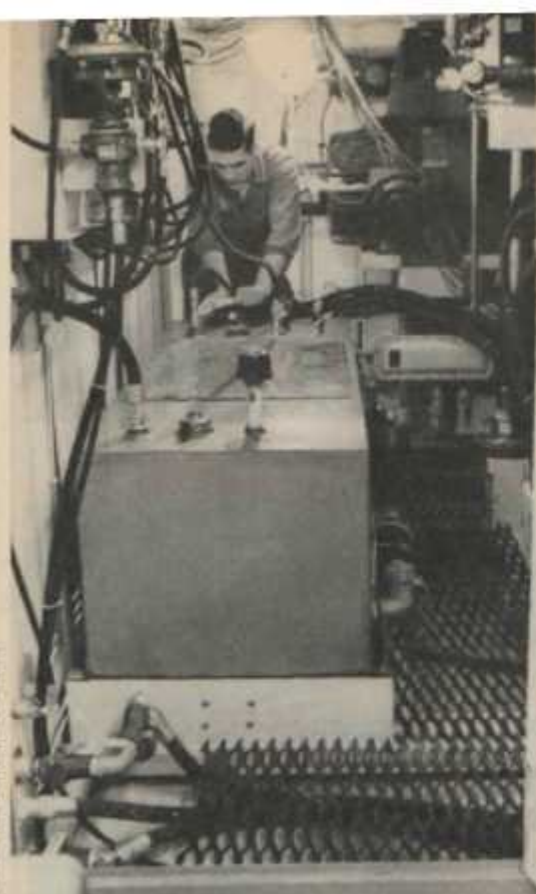


PHOTO: LEE CHYLLER—GLASS STAR

Some firms move from manufacturing into exports. Avitron went the other way, producing its own test stands which check out plane components by simulating flight conditions.

Mr. Endresen lives not far from his Rye, N. Y., plant with his wife, Rose, and sons, Jan, 22, (below) and Chris, 19. Their home overlooks Long Island Sound. The book collection includes volumes assembled by the late pioneering aviation editor, Frank Tichenor.



American Avitron is exclusive overseas representative for Guenther Systems, Inc., producer of continuous loading systems already on order by some U. S. airlines for the giant jets.

END



EDITORIAL

A DAY TO REMEMBER

Maybe it's true that the wheel that squeaks the loudest gets the grease.

Common sense, spoken softly, is so often drowned out by the vocal minority.

But there is one critical day when the real American majority can make itself heard loud and clear.

Next Nov. 3 you'll elect Congressmen and many Senators, Governors and state legislators.

It's not too early now to start planning—and working—for victory that day.

from Coho...to 'Cuda
a big-water, economy size Evinrude

fishing machine



built by fishermen - for fishermen

Coho fishermen are a breed apart from ordinary fishermen. And the 19-foot Evinrude Sport Fisherman was built originally for their special needs.

It's long on comfort. With sure-footed stability and sea-keeping ability — and the ride and room of a conventional boat half again its size.

It combines performance and economy to an exceptional degree — due to an uncommonly efficient match of hull and engine. Just 120 hp moves it at

32 mph. It planes six people at 30 mph. Cruises 144 miles on a single 24 gallon tank of fuel. Trolls all day long on just five gallons.

Everything a fisherman could ask for is at hand. Full instrumentation, including a remote drive-unit position indicator. Finger-tip push-button electric power shifting. And remote electric power tilt.

It comes with high capacity bilge pump and blower. Corrosion-resistant

fastenings and hardware. Full length vinyl floor mat. Built-in lifting eyes and cleats. Tinted fold-down windshield. Cockpit floor specially reinforced for a fighting chair. Even a rear-view mirror to watch for action astern.

The Evinrude Sport Fisherman. It started in the cold, rough waters of Coho country — and went on from there.

Write for catalog, Evinrude Motors 4140 N. 27th St., Milwaukee, Wis. 53216

power for the performance generation

EVINRUDE  first
in outboards

Div. of Outboard Marine Corporation



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A truck like this was built by truck specialists, people who know what it takes to make a truck into a profitable business asset.

Cab walls are doubled and insulated. Frame is deep-channel that resists twisting, reduces stress for longer life and lower ultimate costs. And power is available for a range of applications. We offer in-line 6's, V-6's

and V-8's and our GMC 478 diesel, engineered for maximum economy from expressway speeds to stop-and-go city driving.

There's something else we can offer you, too. Our dealers. They know how to talk truck because they're truck specialists, trained to help you select the right truck and power-train to do your job efficiently and profitably.

If you're looking for power choices, GMC has them. Gas in-line 6's, V-6's and V-8's, plus a GMC diesel. You can choose from a total of 8 engines that range in horsepower from 155 h.p. to 260 h.p. You give us the problem and we'll give you the power to solve it.

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